

DAILY REPORT

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FOREIGN MINISTRY ON USSR FOREIGN MINISTER'S VISIT

OW091155 Beijing in Russian to the USSR 1800 GMT 5 Feb 86

[Excerpt] Dwelling on the question of an exchange of visits by PRC and Soviet foreign ministers the press spokesman said that the dates for the visits have not yet been set. The time for the exchange of visits will depend on the development of events.

ELEMENTARY READER GARNERS UNESCO AWARD

OW080640 Beijing XINHUA in English 0630 GMT 8 Feb 86

[Text] Lanzhou, February 8 (XINHUA) -- An elementary reading book to teach illiterate peasants in Gansu Province has been awarded a prize by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The Nessim Habib Prize is awarded for outstanding work in the international fight against illiteracy.

The book was compiled by the Gansu Provincial Education Department to meet the needs of this north west China province's rural dwellers. Gansu has a total rural population of more than 16 million. About 37 percent of those aged from 12 to 40 are illiterate, and education officials plan to teach all the illiterate people aged between 12 and 25 to read and write over the next five years. The reading book contains 2,000 commonly-used words in 68 texts. The first half concentrates on teaching slow-learning adults by a fast-learning method stressing words with similar sounds. The second half consists of reading practices. Most students are able to master the texts in their spare time within 12 months, education officials here said, adding that more than 300,000 copies have been printed since early last year.

AL-JUMAYYIL APPEALS TO UN ON ISRAELI ANNEXATION

OW080152 Beijing XINHUA in English 0139 GMT 8 Feb 86

[Text] Beirut, February 7 (XINHUA) -- Lebanese President Amin al-Jumayyil today urged the accredited representatives of the permanent members of the Security Council to enlist their governments' help in forcing Israel to abandon its gradual annexation of Lebanese land. Referring to the report which was released, along with maps, by the international commission set up to investigate Israeli annexation of Lebanese territory at the United Nations Headquarters, the president said it indicated that between 50 and 70 square kilometers of Lebanese land were being grabbed by the Israeli occupation authority.

Meeting the ambassadors from the United States, Britain, France, China and the Soviet Union, Al-Jumayyil said that Israel's gradual annexation of Lebanese land was a flagrant violation of the U.N. Charter and even more serious than outright occupation. He informed the envoys that the U.N. secretary general had been asked to set up a fact-finding committee. He noted that Israel was seeking to take over wider areas of the south, extending its occupation north to the town of Kafr Killa and the Al-Wazzani and some upstreams of the Wazzani River. He pointed out that Israel was trying to take over the pipelines which deliver Saudi oil to the Zahrani refinery near Sayda in the south, and to use the pipeline to divert waters of the Wazzani River and ultimately of the Litani River, thus not only stealing Lebanese land, but also plundering Lebanese water resources.

LI PENG MEETS U.S. UNDER SECRETARY SCHNEIDER

OW081116 Beijing XINHUA in English 1056 GMT 8 Feb 86

[Text] Beijing, February 8 (XINHUA) -- Vice-Premier Li Peng met with William R. Schneider, under secretary of state of the United States, and his party, here this afternoon. Li briefed Schneider on China's industrial and agricultural production, economic restructuring and its policy of opening to the outside world. He said that the crackdown on economic crimes will help rather than affect China's opening to the outside world. China "will continue to develop economic and technological cooperation with foreign countries," he emphasized.

Schneider, who is on a private visit to China, said China has benefited much from its economic reform. Earlier today, Vice-Minister of Foreign Affairs Zhu Qizhen met and feted Schneider and his party.

QIAN QICHEN MEETS U.S. PRESIDENTIAL ADVISER

OW081138 Beijing XINHUA in English 0831 GMT 8 Feb 86

[Text] Beijing, February 8 (XINHUA) -- Qian Qichen, vice-minister of foreign affairs, exchanged views on disarmament with Edward Rowny, U.S. special advisor to the President and secretary of state for arms control matters, here this morning. Rowny arrived here on February 7 as guest of the American Embassy in China, and left this afternoon.

REAGAN SUGGESTS NEW NUCLEAR DISARMAMENT PLAN

OW071943 Beijing XINHUA in English 1932 GMT 7 Feb 86

[Text] Washington, February 7 (XINHUA) -- U.S. President Ronald Reagan has suggested a plan calling for the elimination of U.S. and Soviet medium-range missiles from Europe and for cutting the Soviet SS-20 missile force in Asia by 50 percent, it was disclosed here today. Press reports quoted administration officials as saying that Reagan proposed the plan in response to Soviet leader Mikhail Gorbachev's Jan. 15 proposal to eliminate nuclear weapons by the year 2000.

The U.S. proposal, masterminded by the U.S. Arms Control and Disarmament Agency, is contained in a confidential directive from the President. It was one of three possible approaches considered at a White House meeting Monday. The two other proposals were made by Defense Secretary Caspar Weinberger and by Secretary of State George Shultz. The Reagan plan apparently runs counter to the opinion of Weinberger, who reportedly claimed that no change in the American position was needed. It also differs from the position adopted by Shultz, who proposed that the U.S. respond the Soviet proposal by offering measures on medium-range weapons in Europe and by modifying its proposal to ban mobile missiles.

Reagan's plan accepts the Soviet suggestion that U.S. and Soviet missiles be eliminated from Europe, but rejects the idea that Britain and France freeze their nuclear forces. It also rebuffs the suggestion that the U.S. pledge not to transfer missiles to other countries. U.S. officials said a final decision on the adoption of the plan will be made only after consultations with its allies. Paul Nitze, adviser to Secretary of State Shultz, has been sent to discuss the plan with European allies, and Edward Rowny, a former arms negotiator, has been dispatched to consult with Asian and Pacific nations. Meanwhile, U.S. House Foreign Affairs Committee Chairman Dante Fascell yesterday called on the Reagan administration to "take a more aggressive and assertive posture" in the Geneva arms negotiations and urged a high-priority effort to work out a comprehensive U.S.-Soviet ban on nuclear testing.

GORBACHEV INTERVIEWED ON SOVIET-U.S. RELATIONS

OW081808 Beijing XINHUA in English 1524 GMT 8 Feb 86

[Text] Moscow, February 8 (XINHUA) -- Soviet leader Mikhail Gorbachev stressed today that progress thus far in Soviet-U.S. relations have been "too limited, peripheral, and has no bearing on the vital issues." In an interview released today in advance by the official news agency TASS, Gorbachev said: "In my opinion, one has to be cautious in one's assessments" on signs of a revival of detente after the Geneva summit.

In the interview with the French newspaper L'HUMANITE, Gorbachev reiterated that the U.S. "star wars" program "enhances the threat of war, and may, at a certain stage, make it probable." He said implementation of the "star wars" program "is deliberately aimed at thwarting the current talks and erasing all the existing arms control agreements." Asked about the likelihood of a quick end to the war in Afghanistan and the withdrawal of Soviet troops, Gorbachev said: "We would want (to do) that very much and will, within our capabilities, work toward that." Yet he accused the Governments of the United States and Pakistan of "interference in the conflict." On Soviet-French relations, Gorbachev said the Soviet Union advocates a broad cooperation with France, and the differences between the two countries should not become obstacles to concord and cooperation between them.

Criticizes SDI Program

OW081918 Beijing XINHUA in English 1855 GMT 8 Feb 86

[Text] Paris, February 8 (XINHUA) -- Soviet leader Mikhail Gorbachev has said that by adopting the Strategic Defense Initiative (SDI) program, the United States "deliberately tries to discourage the on-going negotiations" and to turn the existing agreements on arms limitation into waste paper.

In an interview with L'HUMANITE, an organ of the French Communist Party Central Committee recently, Gorbachev said that the Soviet Union is considering a shorter and more direct approach without causing any difficulties and dangers to the elimination of nuclear weapons. But, he said, the U.S. method in this regard provides no way out (for the world). The interview was published today. Referring to his new proposals on arms reduction, Gorbachev said that the Soviet Union wants to eliminate nuclear weapons not for leading the arms race into another field that may also prove dangerous." [sentence and quotation marks as received] He said that signs of relaxation have emerged since the Geneva summit last November, but they "do not touch the essential problem."

Holds 'No Political Prisoners'

OW081743 Beijing XINHUA in English 1511 GMT 8 Feb 86

[Text] Moscow, February 8 (XINHUA) -- The Soviet Union has "no political prisoners" just because there is no persecution of people "for their convictions," said Soviet leader Mikhail Gorbachev in an interview with the French communist newspaper L'HUMANITE which was released by TASS today. But, he said: "Spying for foreign intelligence services and agitation for undermining our destroying the state are qualified by our law as crime against the state. In the recent period, a little more than 200 people have been serving sentences for all crimes of such a kind."

As to the Soviet physicist Sakharov, Gorbachev said that Sakharov has committed "actions punishable by law." He continued Sakharov is still an academician of the Soviet Academy of Sciences and lives in the Gorkiy city, engaging in scientific research work. He added: "Sakharov is still in knowledge of secrets of special importance to the state and for this reason cannot go abroad."

COMMENTARY URGES 'TEAM SPIRIT' CANCELLATION

OW081124 Beijing XINHUA in English 1030 GMT 8 Feb 86

["Commentary: Military Exercises Reverse Tide (by Guo Quanyou)" -- XINHUA headline]

[Text] Beijing, February 8 (XINHUA) -- Last year's tiny beacon of hope for peace on the Korean peninsula was overshadowed in the glare of the new year announcement that the U.S. and South Korean troops will hold joint military exercises "Team Spirit-86" beginning on February 10. The chilling announcement not only negated the progress of the last year, but it also renewed the concerns of the Democratic People's Republic of Korea (DPRK) and the international community.

On January 10, the Foreign Ministry of the DPRK announced a suspension of major military exercises to create a favorable environment for the economic, parliamentary and Red Cross talks scheduled for January and February this year. The ministry called upon the U.S.-South Korean side to reciprocate its good will gesture. To the disappointment of the Korean people on both sides of the demarcation line and peace-loving people of the world, however, the U.S.-South Korean side announced eight days later that it would go ahead with its "Team Spirit-86" joint military exercises involving more than 200,000 troops. Expressing disappointment at U.S.-South Korean lack of historical responsibility and sincerity for peace, the DPRK announced a postponement of the talks.

The United States and South Korea have claimed that "Team Spirit-86" merely follows "convention" and is aimed at "self-defense." Anyone watching the situation on the peninsula knows that since 1976, the scale of the annual U.S.-South Korean military exercises has been growing, the troops involved have increased from the original 90,000 to this year's 200,000; the area covered has also expanded ominously northward; and the weapons and equipment used are increasingly advanced. Is the escalating nature of the military exercise "convention"? And if this "convention" continues can there ever be peace and national reunification?

The "self-defense" claim is even less plausible. First, nobody can seriously believe that the DPRK troops are preparing to attack the beaches of Hawaii and even if they were, there is little need for U.S. warships to come all the way across the Pacific to conduct a joint exercise. Second, the DPRK Government has frequently reiterated that it has no intention to "drive southward," as alleged by the South Korean authorities. On the contrary, the DPRK has initiated a number of proposals for national reconciliation and has taken several steps to bring about early national reunification and peace on the peninsula.

Obviously, "to follow convention", means only the ever upgrading show of military power, and "self-defense" is merely a camouflaged military threat. However, the past 40 years have made it clear that military buildups cannot solve the Korean problem. Rather, they aggravate tension on the peninsula and endanger peace in Asia and the rest of the world. It would be wise for the United States and South Korea to respond to the DPRK's call by cancelling the pending joint exercises and thereby pave the way for tripartite talks and a summit meeting between the North and South of Korea.

DPRK CALLS FOR BOYCOTT OF 'WAR GAMES' IN SOUTH

OW081938 Beijing XINHUA in English 1848 GMT 8 Feb 86

[Text] Pyongyang, February 8 (XINHUA) -- The Democratic People's Republic of Korea today called on the people of South Korea and America to boycott the upcoming joint U.S.-Seoul military exercises code-named "Team Spirit-86".

A letter containing the appeal was adopted today at an emergency meeting held by the Central Committee of the Democratic Front for the Reunification of the Fatherland. The letter said the danger of war in the region would be increasing with the "Team Spirit-86" mock warfare scheduled for February 10. The hard-won dialogue between the two parts of Korea would be disrupted because of the military exercises, it added. It called on all people and all parties and social organizations in South Korea in particular to boycott the war games. It also urged them to strive for turning the Korean peninsula into a nuclear-free zone, forcing the U.S. to withdraw its troops and nuclear weapons from South Korea and creating a climate for resumption of the North-South dialogue.

NODONG SINMUN CONDEMNS U.S. REFUSAL ON TROOPS

OW090756 Beijing XINHUA in English 0743 GMT 9 Feb 86

[Text] Pyongyang, February 9 (XINHUA) -- The Korean paper NODONG SINMUN in a commentary today condemned the United States for refusing to withdraw its troops from South Korea in order to prevent its alleged "threat of intruding into the South." The commentary was in response to U.S. Secretary Caspar W. Weinberger's recent speech in the Congress. Weinberger said that U.S. troops would continue to stay in South Korea which is a key area vital to American interests and that there exists the danger of a sudden attack by the North on the South.

The alleged "threat," the commentary noted, is used as a pretext by the United States to perpetuate its occupation of South Korea and legalize the U.S.-South Korea joint military exercises dubbed "Team Spirit-86". The commentary urged the United States to withdraw all its troops and nuclear weapons from the Southern part of Korea to facilitate the realization of a nuclear free and peaceful zone in the Korean peninsula.

KCNA REPORTS U.S. SR-71 OVERFLIGHT 6, 7 FEB

OW071924 Beijing XINHUA in English 1911 GMT 7 Feb 86

[Text] Pyongyang, February 7 (XINHUA) -- A U.S. high-altitude reconnaissance plane violated the airspace of the Democratic People's Republic of Korea (DPRK) today, the KOREAN CENTRAL NEWS AGENCY reported. The "SR-71" plane went into the airspace over the waters east of Kosong, in the eastern coastal province of Kangwon around noon and then flew to the airspace above the waters off Sonbong County, North Hamgyong Province.

Yesterday, two U.S. reconnaissance flights were made over the east and west waters of the country. U.S. planes had increased reconnaissance missions on the Korean peninsula since the announcement in mid last month of staging the "Team Spirit-86" joint military exercise by the U.S. and South Korea. During the latest month, over 19 activities of such a kind were registered.

KCNA REPORTS KIM TAE-CHUNG'S LATEST HOUSE ARREST

OW090928 Beijing XINHUA in English 0859 GMT 9 Feb 86

[Text] Pyongyang, February 9 (XINHUA) -- Kim Tae-chung, a well-known democrat in South Korea, was placed under house arrest by police yesterday, according to a report of the KOREAN CENTRAL NEWS AGENCY. The 60-year-old democrat was notified by the local police yesterday that he was forbidden to leave his home to attend a luncheon hosted by his friend Kim Yong-sam to mark the first anniversary of his return from the United States.

This is the second time in 10 days this year, or eighth time Kim Tae-chung has been placed under house arrest since he returned to Seoul one year ago from two years' exile in the United States.

JAPAN DEBATES SUPPLYING DEFENSE DATA TO U.S.

OW071131 Beijing XINHUA in English 1041 GMT 7 Feb 86

[Text] Tokyo, February 7 (XINHUA) -- Japanese Defense Agency Director General Koichi Kato said in a debate yesterday that Japan may provide military information to the United States in the event of a war involving the U.S. in the Far East, according to press reports today. The debate was held in the Japanese lower house on whether or not supplying military information gathered by Japan's over-the-horizon radars to the United States violates Japan's Constitution.

In the debate, the opposition Komeito Party questioner Junya Yano said that because military information plays a vital role in modern warfare, the supplying of such information to U.S. forces would be tantamount to a "collective security" action which is banned under the constitution. Countering Yano's viewpoint, Kato said that it is possible for Japan to provide military information to the United States in the case of a military conflict involving the United States in the Far East even if Japan's national security is not immediately at stake. He said this would not fall into the definition of "collective security".

NAKASONE DEMANDS RETURN OF NORTHERN ISLANDS

OW071542 Beijing XINHUA in English 1518 GMT 7 Feb 86

[Text] Tokyo, February 7 (XINHUA) -- Japan marked its 6th "Northern Territories Day" Friday with country-wide rallies and a statement by Prime Minister Yasuhiro Nakasone demanding the return of the country's northern islands held by the Soviets since 1945.

Speaking to a 13,000-strong gathering in Tokyo including representatives of local governments, cabinet ministers and former inhabitants of the northern territories, the prime minister said that he felt regret at the fact that the four major northern islands, seized by the Soviet troops at the end of World War II, "have not been returned and remain under Soviet occupation." "This is an important issue touching the basic principles of the state," he said, adding that his government will try to resolve the problem, bearing in mind the will of the whole nation. "The reopening of negotiations to conclude a peace treaty (with the Soviet Union) is a step forward, but we are still on the starting line and there are many obstacles ahead," the prime minister said.

Nakasone, who tackled the territorial dispute with visiting Soviet Foreign Minister Eduard Shevardnadze last month, outlined again his government's positions concerning Tokyo-Moscow peace treaty negotiations: to resolve the territorial issue, to complete the Japanese-Soviet peace treaty and to establish stable relations with the Soviet Union. Foreign Minister Shintaro Abe at the big gathering made his first "Northern Territories Day" speech after briefing on the recent consultations with his Soviet counterpart. The foreign minister also called for promotion of the movement for return of the northern territories. Similar rallies sponsored by local governments were held in all of the country's 47 prefectures to mark Friday's observation, designated by the cabinet in 1981 as "Northern Territories Day" to voice Japan's unswerving will for an early return of its northern islands.

DK ENVOY EVALUATES SIHANOUK'S GUANGDONG VISIT

BK070325 Beijing in Cambodian to Cambodia 1030 GMT 6 Feb 86

[Station correspondent's 5 February interview with Chan Youran, Democratic Kampuchean ambassador to the PRC, on 15-30 January visit to Guangdong Province by DK President Samdech Norodom Sihanouk and wife -- recorded]

[Text] [Chan Youran] First of all, allow me to thank you for coming here today to interview me on the recent visit to Guangdong Province by the samdech and his wife at the invitation of the PRC Government. This was an official friendly visit during which His Excellency Deputy Foreign Minister Liu Shuqing and his wife, myself and my wife, and many other Chinese and Cambodian friends accompanied the samdech.

I would like to inform you about this visit as follows:

Everywhere that the samdech president of Democratic Kampuchea and his wife visited, such as Guangzhou, Shenzhen, Zhuhai, Zhongshan, and Shunde Cities, large numbers of Chinese people and the Chinese authorities at all levels gave them and their entourage a warm welcome. They joyfully and cordially welcomed the samdech president of Democratic Kampuchea, an old and great friend of the Chinese people and leaders -- former Chairman Mao Zedong and Premier Zhou Enlai and presently His Excellency Chairman Deng Xiaoping, His Excellency General Secretary Hu Yaobang, His Excellency President Li Xiannian, His Excellency Premier Zhou Ziyang, and Mrs Deng Yingchao. The Chinese friends welcomed the samdech sincerely and with a spirit of respect and love as their great friend and a brother from the same family. They particularly welcomed the samdech in his capacity as the president of Democratic Kampuchea and an outstanding and most valiant patriot who is leading the CGDK and our Cambodian people in their fight against the Vietnamese aggressors, expansionists, annexationists, and race exterminators. The party and state leaders in Guangdong Province praised the samdech for his patriotism and for conducting activities in the international arena in defending our nation against the Vietnamese aggressors. They expressed great joy at the victories scored successively by our people and National Army under the leadership of the CGDK, especially during the current 8th dry season at home and in the international arena. They regarded these victories as the victories of the Chinese people because the just struggle waged by the Cambodian people for defending their national independence and race is an important contribution to defending peace and stability in Southeast Asia and in the world.

The Chinese party and state leaders in Guangdong Province also stressed the resolute and unswerving support of the 60 million people in Guangdong Province as well as of the Chinese people throughout the country for the heroic struggle of our Cambodian people. Even if this struggle lasts for 10 or 100 years, this support will continue until the Cambodian people win total victory. The samdech and all members of the Democratic Kampuchean delegation were very moved by this statement. They will always be grateful to the Chinese people and the esteemed Chinese leaders.

Concerning the program of the visit, the Chinese friends arranged the program very well. The samdech and his wife visited various places and saw various new achievements, such as the modern agricultural industrial sites, kindergartens, [words indistinct], tourist centers, and beautiful places, as well as many trade and industrial exhibitions. The samdech and his wife also visited the film studios in Guangzhou and the South China Botanical Garden. The samdech and the Cambodian guests were very impressed by the talent and performance of the famous acrobatic group in Guangzhou.

In many places, Chinese friends organized performances by beautiful children and Chinese dancers for the samdech and his wife. The Democratic Kampuchean delegation led by the samdech was very happy to hear a song dedicated to the Chinese people and China composed by the samdech out of his love and friendly feelings toward the Chinese people and China.

In Zhongshan, the samdech and his wife visited the birthplace of President Sun Yat-sen who was one of the outstanding heroes of the Chinese people.

The visit was totally successful from beginning to end. The samdech, his wife, and all Cambodian guests were very impressed by the wonderful all-round progress in Guangdong Province, particularly in Shenzhen, Zhuhai, and Zhongshan Cities and Shunde County. I was very happy to see with my own eyes the great changes in all aspects in the Shenzhen and Zhuhai Special Economic Zones. In only 4 to 5 years, these economic zones and cities have become modern cities with advanced agriculture and industry, greatly improving the livelihood of the Chinese people in these areas. Before, the people in these areas were poor. Now, they are enjoying a better life, have proper housing and all household appliances, such as television, radio, sewing machines, washing machines, refrigerators, and even pianos in some houses. Workers, peasants, and fishermen in these areas enjoy a better life in general. They are very happy and satisfied with the new open door policy set forth by the 11th session of the third party congress in 1979. They are very proud of the socialist construction in accordance with China's special conditions being implemented by the Chinese party and government. This policy is bringing rapid changes to China, particularly in the agricultural, industrial, national defense, scientific, and technological fields.

In his own name and on behalf of the CGDK and Democratic Kampuchean delegation, everywhere he went, the samdech expressed the Cambodian people's praise and respect for this new policy and the great achievements made by the Chinese people in implementing this clear-sighted policy. This policy has enhanced the prestige and influence of the fraternal Chinese people and China in the international arena. China is the peace-loving force which defends peace in the world and opposes the aggressive and expansionist policy of the Vietnamese enemies and their boss -- the Soviet clique.

We are convinced that under the leadership of the Chinese party and government, China will progress more rapidly and the Chinese people will enjoy more happiness and prosperity. The samdech regarded these achievements of the Chinese people as the achievements of the valiant Cambodian people who are struggling for national liberation and the defense of the Cambodian race against the Vietnamese aggressors.

The samdech added that after liberation, the Cambodian people will certainly learn from the new policy and achievements made by the Chinese people.

I would like to inform you that Vice President Khieu Samphan sent a message to the samdech following this visit. In his message, the vice president expressed great joy at the success of the visit and the achievements made by the Chinese people and government in modernizing China and in this open-door policy of the PRC.

On this occasion, I would like to extend best wishes to all Chinese people on the Chinese new year. May all of you enjoy good health and success in every way. Thank you.

LI XIANNIAN HOSTS BANQUET FOR SIHANOUK

OW071514 Beijing XINHUA in English 1507 GMT 7 Feb 86

[Text] Beijing, February 7 (XINHUA) -- Chinese President Li Xiannian gave a banquet for Samdech Norodom Sihanouk, president of Democratic Kampuchea, and Madame Sihanouk at the state guesthouse here this evening. Li said he was pleased to have a get-together with the Kampuchean friends as the traditional Spring Festival was drawing near. Sihanouk thanked President Li for the dinner. He congratulated the Chinese people on their success in implementing the open policy and in the modernization program. He expressed appreciation of China's support to the Kampuchean people's just cause.

Present were President Li Xiannian's wife Lin Jiamei and State Councillor and Foreign Minister Wu Xueqian. Chou Kum Prang, widow of the late Kampuchean Prince Penn Nouth, and Sihanouk's mother-in-law Pemme Peang, also attended.

THAILAND PROTESTS LAO INTRUSIONS, KILLINGS

OW071538 Beijing XINHUA in English 1445 GMT 7 Feb 86

[Text] Bangkok, February 7 (XINHUA) -- Thailand today lodged a strong protest with Laos against the recent killing of five Thai villagers by Lao intruders. The protest was contained in an aide-memoire of the Foreign Ministry to Lao Ambassador Khamphan Simmalavong. The ambassador said he would pass it to his government.

The memorandum condemned the invasion of Lao soldiers on February 2 across the Mekong River into Ban Na Muang of Nam Yuen District, Ubon Ratchathani Province. The intruders fired at villagers there, killing five of them and wounding five others and damaging a number of houses. The latest action was contrary to the persistent statements by the Lao Government that it wanted to solve the Thai-Lao conflicts through peaceful means, said the Thai Foreign Ministry. Thailand recently took measures to improve its relations with Laos such as opening more border passes and relaxing restrictions on Thai goods sold to Laos.

THAILAND-LAOS BORDER SITUATION SAID 'TENSE'

OW081824 Beijing XINHUA in English 1500 GMT 8 Feb 86

[Text] Bangkok, February 8 (XINHUA) -- Tension has built up on the Thai-Lao border as Vietnam attempts to establish an Indo-China federation and lord it over Laos, Bamrung Khaorat, Thai commander of the Navy's Mekong River patrol unit said today. At the headquarters of the patrol unit in Nakhon Phanom Province opposite Laos, Bamrung said the Vietnamese have deployed a division of troops together with tank units in the border area along the Mekong River.

The Thai patrol unit is responsible for the defense of the 857-kilometer long border from Chiang Khan District Loei Province to Khong Chiam District, Ubon Ratchathani along the Mekong River. The Vietnamese troops frequently sent scouts across the border to carry out reconnaissance and sabotage activities. In early January this year, the commander said, Vietnam despatched some 30 men to do intelligence work in Thailand. The Soviet military aid to Laos is on the increase, Bamrung said. The Soviets have so far supplied Laos with 27 MiG fighters. They have recently decided to further provide Laos with 40 patrol boats, eight of them had already been delivered.

REPORTAGE ON PHILIPPINE ELECTIONS, RETURNS

Marcos Denies Manipulation

OW081909 Beijing XINHUA in English 1858 GMT 8 Feb 86

[Text] Manila, February 8 (XINHUA) -- President Ferdinand Marcos today denied charges that he would alter election results by delaying the counting of votes. His denial was in response to a statement of U.S. Senator Richard Lugar, head of the 20-member U.S. official observer team monitoring the poll, who said that election officials were "managing" or "manipulating" poll results by delaying their counting.

Marcos told a press conference here this evening that the ruling New Society Movement had no "malicious" or "mischievous" intention to delay the counting of votes. He said he may declare the election "invalid" should foreign observers perceive it to be fraudulent and he may either continue in office until his term expires in 1987 or call another election. He said he was unhappy with Senator Lugar's statement. Marcos said the returns sent by his partymen showed he was well ahead of his opponent Mrs. Corazon Aquino. He claimed if he lost, though it was "unthinkable", he would ensure to work for a peaceful transition.

Vote Counting 'Academic'

OW091644 Beijing XINHUA in English 1631 GMT 9 Feb 86

[Text] Manila, February 9 (XINHUA) -- Philippine Justice Minister Estelito Mendoza today said the individual tabulation of votes conducted by the Commission on elections (Comelec) and the National Movement for Free Elections (Namfrel) is already "academic" and "no longer needed", the PHILIPPINE NEWS AGENCY reported. He said the National Assembly has the sole authority to canvass the votes.

Mendoza who is also solicitor general said that for the Comelec and Namfrel to proceed tabulating would only tend to "mislead the people." Namfrel, a citizens' independent electoral watchdog group, has been publishing election returns which show the opposition candidate Corazon Aquino is leading Marcos while the Comelec returns indicate Marcos is seizing the lead. According to Mendoza, the official canvassing by the National Assembly will be based on [as received] the proclamation of winners in the February 7 presidential election. At the same time, majority floor leader Jose Rono said the Legislative Assembly which is scheduled to conduct an official canvass of election certificates tomorrow afternoon can finish the job within 48 hours. Rono said in an interview with newsmen that the assembly would form a bi-partisan committee to take charge in the official canvass of election certificates. The committee will be composed of members of the ruling New Society Movement and the opposition United Nationalist Democratic Organization.

Serious 'Anomalies' Noted

OW091924 Beijing XINHUA in English 1837 GMT 9 Feb 86

[Text] Manila, February 9 (XINHUA) -- A group of international observers today said that the electoral anomalies in the February 7 polls in the Philippines were "serious" and "could have an impact upon the final result." The international observer delegation composed of 44 members from 19 countries made these remarks at a press conference this evening at the Manila Hotel.

In a written statement, the mission said it had seen some instances of "abuses" including vote buying, intimidation, snatching of ballot boxes, etc. "Of great concern are reports that thousands of voters -- particularly in the Manila area -- were not able to vote because their names were not on the registration list," it said. The statement also referred to the delay in dissemination of the election results and said the delegation would continue to study this problem and look for patterns to see "whether these delays result in shift of votes." A spokesman of the delegation said the members of the mission, who have a wide range of political and ideological viewpoints, had reached a "remarkable consensus" in evaluating the election in the country's 15 provinces they visited.

The delegation has come here to observe the election at the invitation of the Philippine ruling party and the opposition United Nationalist Democratic Organization. Co-leaders of the international observer delegation are Dr. Misael Pastrana, former president of Colombia, and John Hume, member of the British and European Parliaments representing the Social Democratic Party and the Labor Party. According to Mr. Hume, some members of the delegation will remain in the country until the counting phase is complete.

U.S. Observers Urge Fast Count

OW100750 Beijing XINHUA in English 0658 GMT 10 Feb 86

[Text] Manila, February 10 (XINHUA) -- The U.S. official delegation observing the Philippine presidential elections urged today the Commission on Elections (Comelec) and the National Movement for Free Election (Namfrel) to bring their electoral counts to a rapid and credible uniform conclusion. The U.S. delegation left here for home this morning and is to deliver an interim report to U.S. President Ronald Reagan.

In a written statement read at a press conference at Manila Hotel, Richard Lugar, chairman of the U.S. Senate Foreign Relation Committee and head of the delegation, said that during the processes of voting and vote counting they witnessed and heard disturbing reports about efforts to undermine the integrity of the election. "Even within the last twenty-four hours, serious charges have been made in regard to the tabulation system," it noted. The delegation also deplored all incidents of election related violence and intimidation. The delegation's mission as observers, the statement said, is by no means completed. They have directed teams from the U.S. Embassy, congressional staff and the Center for Democracy to monitor closely the efforts by Comelec and Namfrel to bring their electoral counts to a rapid and credible conclusion. They hope the current divergence between the count tallies by Comelec, an organ set up by the government, and Namfrel, an independent citizens' electoral watchdog group, will give way to a uniform electoral result that is broadly accepted by the Philippine people, the statement concluded. Namfrel has temporarily recorded a lead of opposition candidate Corazon Aquino over President Marcos, while Comelec registered the opposite tally. Tallies of both Comelec and Namfrel, however, are not official. According to an announcement by Marcos, only the National Assembly is authorized to declare the final official count.

The U.S. delegation sent by President Reagan arrived here on February 5 at the invitation of Philippine President Ferdinand Marcos. It is composed of congressional leaders and private citizens. It was reported that the snap presidential election was held according to a proposal made by President Reagan to Marcos last year.

Marcos To Abide by Decision

OW100744 Beijing XINHUA in English 0705 GMT 10 Feb 86

[Text] Washington, February 9 (XINHUA) -- Philippine President Ferdinand Marcos said today that he had no intention of nullifying the results of the Friday election and that he would abide by the decision of the people.

Speaking in interviews with NBC and ABC televisions from Manila, Marcos said, "I have no intention of using my power to win the election." He repeatedly denied allegations of vote rigging and said there was no "evil or malicious intent" on the part of the government. "I would not want to be returned to power by fraud," he added. According to earlier reports from Manila, Marcos said at a press conference late last night that he could nullify the results of the election, as the fraud charges continued to pour in.

Opposition candidate Corazon Aquino has claimed victory in Friday's hotly contested election in which both sides have accused the other of widespread cheating. Marcos, who is fighting for a fourth term, refused to acknowledge Aquino's claim. He said he is leading in the vote count, but that he will wait until the Parliament has officially tallied the results before making a declaration.

MORE HONG KONG RESIDENTS TO VISIT FOR FESTIVAL

OW071027 Beijing XINHUA in English 0856 GMT 7 Feb 86

[Text] Hong Kong, February 7 (XINHUA) -- About 1.5 million Hong Kong people are expected to go back for the 1986 Spring Festival in their native places and elsewhere on the mainland, XINHUA learned today. The number would exceed previous years.

Traffic and the customs authorities of Hong Kong and the mainland have already made preparations for the Hong Kong people who will go to mainland to see relatives and go sightseeing during the festival which falls on this Sunday.

Meanwhile, reports say 4,000 Hong Kong and Macao tourists are expected to visit Mount Lushan, a scenic spot in Jiangxi Province for the Lunar New Year, more than double last year's figure. Guilin City, another famous scenic spot of the country in south China's Guangxi Zhuang Autonomous Region, has already reported to have received its record figure of tourists from abroad.

CHINESE ARTS FESTIVAL BEGINS IN LONDON

OW080856 Beijing XINHUA in English 0833 GMT 8 Feb 86

[Text] London, February 8 (XINHUA) -- A two-week festival of Chinese arts is started here today as a colourful event to promote understanding among Londoners of current cultural and artistic movements in China as well as of the Chinese communities within their midst.

To celebrate the Chinese Spring Festival, the beginning of the Year of the Tiger, an exhibition of Chinese paintings, calligraphy and photographs is opened today at Smith's Galleries, near Covent Garden, with Chinese music and lion dance performance outside of it. Over the two week period from February 8 to 23, about 90 events, including exhibitions of toys and paintings, book display, first public showing of Chinese feature film "Wreaths at the Foot of the Mountain", as well as other feature and cartoon films, paper cutting, story telling, martial arts and cookery demonstration, have been organised in the City of London and eight London boroughs.

It is understood that the Festival of Chinese Arts '86, the first of its kind in the British capital, is organised primarily to bring to the people a presentation of popular modern Chinese arts. Much thought and energy has been given to the staging of the festival to draw together the talents and artistic skills from within the Chinese communities and promote the contribution they can make to the art and cultural scene of London. The festival is funded and sponsored by Greater London Council's Ethnic Minorities Unit, Society for Anglo-Chinese Understanding, a non-governmental organisation which has been promoting understanding and friendship between the British and Chinese peoples over the past two decades, Great Britain-China Centre, a semi-official agency responsible for promoting Anglo-Chinese cultural exchange and contacts, and Neal Street East, a huge central London oriental emporium offering a vast hoard of goods from China. It has got support from the Chinese Embassy in London and a numbers of cultural and commercial institutions as well.

FRG'S GENSCHER ON U.S., USSR N-ARMS CURBS

OW090907 Beijing XINHUA in English 0705 GMT 9 Feb 86

[Text] Bonn, February 8 (XINHUA) -- Federal German Foreign Minister Hans-Dietrich Genscher told Der Sueddeutsche Rundfunk (radio) today that the United States and the Soviet Union might reach a temporary agreement on the elimination of medium-range missiles in Europe. Genscher spoke about the possibility after meeting Paul Nitze, special envoy to U.S. President Ronald Reagan. Nitze was sent to Europe yesterday to discuss the the U.S. European allies on how to respond to the latest Soviet proposal to eliminate nuclear weapons by the year 2000.

The reduction of medium-range missiles is reportedly considered as the key issue of the West's counterproposal. Genscher said that nobody else is more concerned over this U.S.-Soviet temporary agreement than West Germany, which is not only under the threat of the Soviet SS-20 missiles but also a country where U.S. missiles have been deployed. He had repeated the concern on several occasions, stressing the significance of eliminating Soviet and U.S. missiles in Europe to his country.

U.S. President Reagan yesterday suggested a plan calling for the elimination of U.S. and Soviet medium-range missiles in Europe and for cutting the Soviet SS-20 missile force in Asia by 50 percent. The plan accepts the Soviet proposal on the elimination of U.S. and Soviet missiles in Europe but fails to mention the U.S. commitment to the "star war" programs.

SPAIN TO PUT NATO MEMBERSHIP TO REFERENDUM

OW071507 Beijing XINHUA in English 1430 GMT 7 Feb 86

[Text] Madrid, February 6 (XINHUA) -- After a two-day heated debate on peace and security, the Spanish parliament passed a government motion to hold a referendum on March 12 on Spain's membership in the North Atlantic Treaty Organization (NATO), which it joined in 1981.

When Spain decided to enter NATO five years ago, the then opposition Socialist Worker's Party opposed Spain's entry into NATO. When the party won the national elections in 1982, it announced that the new government would freeze Spain's entry into NATO military organizations and promised to hold a referendum to decide on Spain's continued membership in NATO. Because Spain has close political, military and economic relations with its NATO partners, it is easier for it to enter NATO than to quit it. But, with the national elections due this year, the ruling party wanted to demonstrate that it keeps its promises and proposed the promised referendum. The referendum will ask voters to decide whether Spain should remain in NATO provided it does not join NATO military organizations, prohibits nuclear weapons and reduces the number of U.S. troops stationed in the country.

During the parliamentary debate, Prime Minister Felipe Gonzalez supported Spain's continuation in NATO. He explained that he changed his opposition to Spain's entry into NATO after it had entered the organization and the European Economic Community. Now, he said, remaining in NATO is the most practical, geographical, political, economic and strategic choice for Spain. However, he vowed to quit NATO if his government lost the referendum. Spain would then keep its relations with the Western alliance through the Spanish-American agreement. The major opposition party Popular Alliance's stands for Spain's unreserved entry into NATO, including all its military organizations. It opposed the holding of a referendum and said it would refrain from voting. The right-wing opposition believes if it votes for the government's stand, it would imply agreement with all its foreign policies and thereby weaken its own strength in the general elections. The Spanish Communist Party and other left-wing parties are critical of Gonzalez's change of heart. Communist Party General Secretary Gerardo Iglesias told a press conference that Gonzalez was trying to threaten the electorate by suggesting that Spain's withdrawal from NATO would bring unpredictable dangers to the country. The press in general found Gonzalez's speech unconvincing, saying that it would not win over the electorate.

Despite the heat, Spain is likely to remain in NATO. According to recent polls, nearly half of the electorate agrees that Spain should remain in the organization. If, however, the electorate votes against Spain's continuation in NATO, Spain may begin the process which is likely to take a whole year. Observers believe that whether the general elections will be held earlier than scheduled or held as scheduled, the Socialist Workers' Party is likely to win on a platform of keeping Spain in NATO. Even if the opposition Popular Alliance wins, it will also support Spain's continuation of its NATO membership.

RENMIN RIBAO CONDEMNS ISRAELI INTERCEPTION

HK081202 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 8 Feb 86 p 6

[Short commentary: "Strongly Condemn Israel's Terrorist Move"]

[Text] On 4 February, four Israeli fighters unscrupulously intercepted and forced down a Libyan aircraft. The aircraft was detained and searched for 5 hours. This was another of Israel's brutal moves, wantonly trampling on the basic principles of international law and undermining the safety of international civil aviation services.

Israel carried out these illegal activities of intercepting and detaining the aircraft under the pretext of "opposing terrorist activities." Actually, under such a pretext, Israel has always used force to brazenly infringe upon the sovereignty and territorial integrity of other nations. In the past, it bombed the nuclear facilities of Iraq. On 1 October last year, taking the opportunity provided by an assassination in Cyprus, it launched a long-distance sneak attack on PLO headquarters in Tunis, killing and wounding many people. Less than 5 months after that, Israel intercepted a Libyan aircraft. All this only shows that Israel, which poses as a champion of "opposing terrorism," is provoking military terrorism in the Middle East. Those in power in Israel intend to take advantage of the struggle of various countries in the world against terrorism to conceal their brutal move. But their efforts are in vain.

The truculent and tyrannic acts of Israel have aroused public indignation all over the world. International public opinion, various countries in the Arab world in particular have strongly condemned Israel for committing such a crime. UN Secretary-General Javier Perez de Cuellar said that it was a "very serious incident." He condemned Israel for "severely violating the freedom of civil aviation." It is very clear that if the international community fails to stop such provocative acts by Israel, it will be impossible to ensure the order of international aviation communications.

Not long ago, Israel clamored to take revenge on Libya under the pretext of the airport attacks in Rome and Vienna. Obviously, Israel has ulterior motives for the most recent provocative move. Israel is currently facing severe domestic political and economic difficulties. It is trying to create international incidents to divert the attention of the people at home, hinder the easing of tension in the Mediterranean, and obstruct efforts to solve Middle East problems peacefully. All this cannot be tolerated by the international community.

PRC ENVOY MEETS YASIR 'ARAFAT IN BUCHAREST

OW091636 Beijing XINHUA in English 1629 GMT 9 Feb 86

[Text] Bucharest, February 9 (XINHUA) -- The Palestine Liberation Organization leader Yasir 'Arafat in a meeting with Chinese Ambassador Yu Hongliang here today informed the Chinese Government of the latest developments in the Middle East. 'Arafat, now on a visit in Romania, met with Romanian President Nicolae Ceausescu yesterday.

Recalling his Beijing trip last year, 'Arafat told the Chinese ambassador that the Palestinian people take China as their genuine friend and close comrade. Yu reaffirmed the Chinese Government's consistent stand in support of the Palestinian people's just struggle, including political struggle, to restore their national rights and to recover their lost homelands.

NEW ECONOMIC ORDER URGED AT TANZANIA MEETING

OW070928 Beijing XINHUA in English 0837 GMT 7 Jan 86

[Text] Dar es Salaam, February 6 (XINHUA) -- The Chinese delegate to the 25th Asian-African Legal Consultative Committee (AALCC) Ouyang Chuping said today that the only way to alleviate the developing countries' debt is to "restructure the irrational international monetary system and to establish the new economic order." Ouyang, who is also deputy director of the Department of Treaty and Law in the Chinese Foreign Ministry, told the 4th day session of the annual conference in Arusha, northern Tanzania that the debt problem is a critical issue in North-South relations.

According to statistics of the World Bank and the International Monetary Fund, the total external debts of developing countries increased from 610 billion dollars at the end of 1980 to 895 billion by the end of 1984 and are estimated to reach 970 billion by the end of 1985. Ouyang said that the creditor nations, commercial banks and the International Monetary Fund should help debtor nations service their debts through their economic development, instead of asking them to curtail outlays to repay their debts. The Chinese delegate urged the United States in particular to take effective measures to promote the development of debtor nations and to search for positive longterm solutions for the developing countries. He also asked developed countries to take into account the special needs and difficulties of the least developed countries, fulfill the targets for official development aid set by the U.N. and provide them with preferential trade terms to help improve their economic situation.

The week-long AALCC meeting opened on February 3 to discuss various international issues, including state jurisdictional immunity, the law of the sea and the status and treatment of refugees. The AALCC, a New Delhi based inter-government legal body for Asia and Africa, was formed in 1956.

SUDAN TO EXPORT CHROMIUM TO PRC, INCREASE TRADE

OW081944 Beijing XINHUA in English 1923 GMT 8 Feb 86

[Text] Khartoum, February 8 (XINHUA) -- Sudan is expected to export chromium to China with a view to increase trade volume between the two countries, a Sudanese official told XINHUA recently. Sudan is abundant in chromium deposit in its eastern mountainous region near the Red Sea. The manager of the Sudan mining company revealed that the present annual production of pure chromium is 15,000 tons and will be increased to 30,000 tons this year. It could reach 75,000 tons sometime later. It was reported that Sudan exported 45,000 tons of chromium ore to Romania and Switzerland last year.

CUI YUELI ATTENDS IRANIAN EMBASSY RECEPTION

OW080752 Beijing XINHUA in English 0713 GMT 8 Feb 86

[Text] Beijing, February 8 (XINHUA) -- Iranian Ambassador to China 'Ali Khorram gave a reception at the embassy here today marking the 7th anniversary of the victory of the Islamic Revolution in Iran. Chinese Minister of Public Health Cui Yueli and others attended.

LI XIANNIAN ADDRESSES SPRING FESTIVAL GATHERING

OW091321 Beijing XINHUA Domestic Service in Chinese 0800 GMT 9 Feb 86

[Speech by Li Xiannian on 9 February at Spring Festival gathering]

[Text] Beijing, 9 Feb (XINHUA) -- Comrades and friends: Today is a traditional Chinese festival day. Gathering together here, with just a cup of tea, we ring out the old year and ring in the new. We hope that in the new year people of all walks of life across the nation will carry forward the spirit of hard work, will build the country through thrift and hard work, will take our overall national situation into account, and will be of one heart and one mind, continuing to push work forward on all fronts.

We made tremendous achievements in the past year. Reforms were carried out faster than we originally estimated, and results were better than we expected. We strengthened macroeconomic control over economic development and gradually eliminated or curbed some factors causing instability. As a result, economic development has gradually normalized. The total national industrial output value increased 18 percent and, despite relatively frequent natural disasters, total agricultural output value increased 13 percent. Government revenues also grew 12 percent. Revenues and expenditures were balanced, and currency issued was less than planned at the beginning of the year. Last year's markets were prosperous, employment increased, and the people's living standards improved further. New improvements were also made in science, education, culture, public health, sports, and national defense. These are the results of hard work of people of all nationalities under the guidance of the party's correct policies; they are a new victory in the course of building socialism with Chinese characteristics.

The National Conference of Party Delegates, held by the CPC in September of last year, approved the "proposal of the Central Committee of the Chinese Communist Party for the Seventh 5-Year Plan for national economic and social development" and continued to replace old members of central leading organs. It was a meeting of historical significance. Comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, and Chen Yun, all members of the CPC Central Committee Political Bureau, made important speeches at the meeting. In order to implement the spirit of the meeting, the CPC Central Committee Secretariat first asked the central and Beijing municipal organs to set an example by holding a meeting in January, attended by 8,000 cadres. Comrades on all fronts must conscientiously study the documents of the two meetings, unify their understanding, and devise effective courses of action for individual departments, localities, and units to solidly implement guidelines laid down by these meetings, thus faithfully carrying out the spirit of the meetings.

This year is the first of the Seventh 5-Year Plan. The Seventh 5-Year Plan and the 1986 annual plan will be submitted in March to the Fourth Session of the Sixth NPC for examination and approval. People of all nationalities must increase their enthusiasm and make concrete efforts to readjust investment patterns while strictly controlling the scale of fixed-asset investments, to further invigorate production work, to satisfy the needs of domestic markets and exports, to ensure good work in foreign trade and export, and to increase foreign exchange earnings. In addition, we must encourage people in urban and rural areas to increase savings and make concerted efforts to contribute to the four modernizations, so that we may ensure the fulfillment of this year's plan and make a good beginning in the pursuit of the entire Seventh 5-Year Plan. Regarding reform of the economic system, on the basis of the major advancements achieved last year, all sectors must coordinate with and take care of one another in striving to mend and reinforce weak links, in line with the principle of consolidation, assimilation, supplementation, and improvement. We must work meticulously for a year in order to make the best possible preparations for the next stage of reform.

All departments, all regions, and all units must strive to build both socialist spiritual civilization and socialist material civilization, shouldering these two burdens, and must achieve results in both of them. It is not the party's policy, nor the policy of building socialism, to grasp one and neglect the other. As a whole, economic achievements attained in the past few years have been outstanding. We have also improved party style and social conduct and strictly enforced the socialist legal system, but the progress has not been very satisfactory. We must on no account be totally absorbed in vocational work while neglecting politics. We must never tolerate corrosion by and spreading of decadent capitalist ideas, bourgeois liberalization ideas, and the residual poison of feudalism. Corrosion by these ideas and the remnants of feudalist poison have created grave consequences in some areas and units, interfering with construction, stability, reform, and opening up to the outside world. All fronts and organizations, and cadres at all levels, must pay special attention to these problems, and adopt effective measures to solve them. Party committees at all levels must improve ideological and political work through organizational means, strengthen education on the situation and on ideals, morals, culture, and discipline; strengthen education on the policy of carrying out reform and opening up to the outside world; strengthen education on state discipline and on discipline concerning external affairs; strengthen education on collectivism, patriotism, and socialist and communist ideas; and strengthen education on revolutionary traditions. We are fully convinced that the bright prospect of China's material and spiritual civilizations making progress and promoting each other will be realized so long as the whole party, governments at all levels, the PLA leading organs of all enterprises and institutions, all democratic parties and groups, all people's organizations, all workers and peasants in towns and in the countryside, teachers and students, and people of all nationalities throughout the country join in the effort.

Improving party style is key to improving general social conduct. In his speech at a meeting attended by 8,000 people, Comrade Hu Yaobang proposed that the central organs set good examples for the whole country. This actually means that he was calling on party cadres of the central organs, especially leading party cadres, to serve as good examples. Article 2 of the Constitution of the Communist Party of China says: "Members of the Communist Party of China are at all times ordinary members of the working people. Communist Party members must not seek personal gain or privileges, although they are allowed personal benefits and job functions and powers as provided for by the relevant regulations and policies." This must be observed unconditionally by every party member, whether he holds a high position or occupies a low one. Otherwise, he will fail to meet the requirements as a party member.

On this point, party cadres, especially leading cadres, must serve as a good example for the people of the whole country. The overwhelming majority of party cadres is good. A large number of model party members and model cadres emerged on all fronts; they are loyal to the socialist cause, work hard and responsibly, lead a plain life, are good at blazing new trails, and dare to struggle and make sacrifices, thus winning the confidence and respect of the people. These model party members and cadres, together with advanced personages outside the party, form the pillar of our style, ensuring steady progress in all fields of work including socialist construction, reform, national defense, foreign affairs, and social security.

However, in the past few years a few party cadres, including a few leading cadres, have been struck by the sugar-coated bullets of the bourgeoisie. These few have trampled on party discipline and violated the law, damaged the image of the party, and aroused the indignation and condemnation of the majority of party members, cadres, and patriotic people throughout the country. These black sheep must be dealt with promptly and severely, in line with party discipline and the law.

Communist party members, the masses of people, and, of course, members of democratic parties, and all patriots must exercise impartial supervision to make sure that party cadres abide by party discipline and the laws of the country. We must continue to strengthen socialist democracy and the socialist legal system. We must unfailingly abide by the law, enforce the law very strictly, punish lawbreakers without exception, and be perfectly impartial and selfless. This is very important to the smooth progress of socialist modernization and the successful building of the two civilizations.

Our country's economy has achieved rapid growth in the past few years, and the people's standard of living has improved in varying degrees. This is an objective fact known to the people of the world and brooks no doubts. However, China is still a developing country. Its economic system is not yet sufficiently strong; it will take more than 10 years of unrelenting efforts to achieve a relatively comfortably standard of living in this country. We must be united as one, be of one heart and one mind, and adhere to the policy of building the country through protracted hard work and thrift, attaching importance to both feeding the people and carrying out construction. Everyone must subordinate himself to the overall situation, give top priority to the interests of the state, and serve the people wholeheartedly. We must put an end to unlawful activities of transforming public property into that of a small group, of appropriating public property by graft and bribery, and of damaging the interests of the state and people. In doing anything, we must do it with great care and according to our capabilities; liberal budgeting and spending, and waste and extravagance are not permitted. We must oppose the idea and act of giving top priority to personal interests and money, of worshipping foreign things, of pursuing Westernization in everything, of seeking pleasure, and of consuming and eating up all we have. Criminal offenses such as corruption, theft, blackmail, extortion, speculation, bribery, smuggling, and swindling must be severely dealt with according to law. All party cadres must set a good example, work hard for the state and people without complaint, devote themselves entirely to serving the people, refrain from seeking personal gain and interests, and consistently carry forward the revolutionary and pioneering spirit of the Chinese nation of daring to surmount difficulties.

Internationally, we will continue our independent foreign policy of peace, further promote our friendly relations with other countries on the basis of the Five Principles of Peaceful Coexistence, expand our cooperation with all nations who work with China on the basis of equality and mutual benefit, strengthen our unity with all peace-loving people of the world, and strive to safeguard world peace.

We will also continue our efforts to promote the great cause of reunification of the mainland and Taiwan in whatever ways acceptable to both sides under the concept of "one country, two systems."

On behalf of the CPC Central Committee, the NPC Standing Committee, the State Council, the CPPCC National Committee, the Central Military Commission, the Central Advisory Commission, the Central Discipline Inspection Commission, the Supreme People's Court, and the Supreme People's Procuratorate, I herewith extend my warm festive greetings and cordial regards to workers, peasants, intellectuals, the vast numbers of cadres, and people of all circles of all nationalities; to the PLA commanders and fighters safeguarding our great motherland and the public security cadres and policemen maintaining social order; to all retired old comrades; to the young people and children on whom we pin our hopes for a glorious future of our motherland; to the compatriots in Taiwan, Hong Kong, Macao, and various foreign countries, and to the experts from various countries and foreign friends in China who have helped China develop its socialist modernization program. I wish you all a happy Spring Festival.

Gathering Detailed

OW091446 Beijing XINHUA Domestic Service in Chinese 1131 GMT 9 Feb 86

[Excerpts] Beijing, 9 Feb (XINHUA) -- More than 4,500 people from various circles in the capital attended a Spring Festival gathering this morning at the Great Hall of the People. Li Xiannian, member of the Standing Committee of the CPC Central Committee Political Bureau and president of the People's Republic of China, gave a speech at the meeting, urging people of all sectors to promote the spirit of working hard, to build the country through thrift and hard work, to subordinate themselves to the overall situation, and to be of one heart and one mind; continuing to push forward on all fronts in the coming year.

Li Xiannian, Deng Yingchao, Ulanhu, Xi Zhongxun, and other leading comrades happily shook hands with and extended their regards to PLA fighting heroes, responsible persons of various democratic parties, noted figures from various circles, retired old comrades, and foreign experts and friends in China. Bainqen Erdini Qoigyi Gyaincain presented a white scarf to Comrades Li Xiannian and Deng Yingchao. He said: "Today is also Tibetan New Year's Day; this is also the Year of the Tiger according to the lunar calendar used by the Zang nationality. Xizang has made remarkable progress in recent years under the guidance of the correct policies of the party and state. Therefore, I present a scarf to you to express the Tibetan people's gratitude." Li Xiannian and Deng Yingchao gladly wished that people of all nationalities would strengthen unity, make further progress, and score greater achievements in the coming year.

Sheng Qishun, Wei Changjin, and other heroes who had performed meritorious services in defending the motherland on the frontline in Yunnan walked up to Li Xiannian, Ulanhu, and other comrades to extend regards to them on behalf of the commanders and fighters on the Yunnan front. President Li Xiannian said: "We rely on you in defending socialist construction in the motherland and in defending the people's interests. The party, the motherland, and the people thank you for this." Vice president Ulanhu said: "You are an example for the people of the whole country. We have to learn from you. We would like to extend our regards to all comrades on the Yunnan front." Li Xiannian, Ulanhu, and other comrades happily autographed the invitation cards of Sheng Qishun, Wei Changjin, and other combat heroes as remembrances.

At 1000 Yao Yilin, member of the CPC Central Committee Political Bureau and vice premier of the State Council, declared the Spring Festival meeting open. President Li Xiannian began his address to enthusiastic applause. Also attending today's Spring Festival gathering were Fang Yi, Qiao Shi, Yang Dezhi, Wu Xueqian, Yu Qiuli, Hu Qiaomu, Qin Jiwei, Chen Muhua, Deng Liqun, Hao Jianxiu, Wang Zhaoguo, Bo Yibo, Wang Ping, Wu Xiuquan, Liu Lantao, Li Desheng, Xiao Ke, Lu Dingyi, Chen Xilian, Duan Junyi, Geng Biao, Ji Pengfei, Huang Zhen, Huang Huoqing, Cheng Zihua, Wang Heshou, Han Guang, Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Seypidin, Zhou Gucheng, Yan Jici, Rong Yiren, Ye Fei, Liao Hansheng, Gu Mu, Zhang Jingfu, Wang Bingqian, Song Pine, Hong Xuezhi, Zheng Tianxiang, Yang Yichen, Yang Jingren, Kang Keqing, Hu Ziang, Qian Changzhao, Yang Chengwu, Chen Zaidao, Zhou Peiyuan, Burhan Shahidi, Fei Xiaotong, Qu Wu, Ma Wenrui, and He Changgong,

PARTY, STATE LEADERS EXTEND FESTIVAL GREETINGS

Deng Xiaoping, Wang Zhen in Chengdu

OW080929 Beijing XINHUA Domestic Service in Chinese 0743 GMT 8 Feb 86

[By reporter Wang Wenjun]

[Text] Chengdu, 8 Feb (XINHUA) -- Deng Xiaoping, member of the Standing Committee of the Political Bureau and chairman of the Advisory Commission of the CPC Central Committee, attended a Spring Festival celebration gathering held by the Sichuan

Provincial CPC Committee and the Sichuan Provincial People's Government in Chengdu today. He was accompanied on the trip by Wang Zhen, vice chairman of the Advisory Commission of the CPC Central Committee.

With bamboo turning green, spring is very much in the air and there is vigor and vitality everywhere in Chengdu in the early spring. When Comrade Deng Xiaoping and his party, accompanied by Secretary of the Sichuan Provincial CPC Committee Yang Rudai and other Sichuan officials, arrived at the gathering at 0930, the participants there burst into warm applause. Comrade Deng Xiaoping waved again and again to those present and wished the Sichuan people a happy Spring Festival.

Sichuan Governor Jiang Minkuan spoke at the gathering. He said: We are very happy that Comrades Deng Xiaoping and Wang Zhen have come to Sichuan to spend the Spring Festival with us. He said that the people in Sichuan would surely work hard as one under the leadership of the party Central Committee and the State Council to win success in the first year of the Seventh 5-Year Plan.

Before the gathering, Deng Xiaoping and Wang Zhen received local party, government and military leaders, responsible persons of democratic party organizations in Sichuan, and representatives of PLA combat heroes, teachers, workers, peasants, and students.

Some 600 people were present at the gathering. They included responsible persons of Sichuan Province, Chengdu City, and the Chengdu Military Region; members and alternate members of the CPC Central Committee, members of the Central Advisory Commission, members of the Central Discipline Inspection Commission, NPC deputies, and members of the CPPCC National Committee, residing in Sichuan; and representatives of various circles. Literary and art workers of Sichuan Province and Chengdu City gave a brilliant performance at the gathering.

Hu Yaobang on Provincial Tour

OW080630 Beijing XINHUA Domestic Service in Chinese 0110 GMT 9 Feb 86

[By reporters Hong Jian and Liu Yangshen]

[Text] Guiyang, 9 Feb (XINHUA) -- Hu Yaobang, general secretary of the CPC Central Committee, joined the people of various nationalities in Xingyi, capital of Guizhou's Qianxinan Bouyei-Miao Autonomous Prefecture, surrounded on all sides by mountains, in a happy Spring Festival get-together. While meeting the autonomous prefecture's cadres and people of various nationalities and all walks of life on the evening of 7 February, he extended his Spring Festival greetings to the people of Qianxinan Prefecture on behalf of the party Central Committee. He also called on people of various nationalities of the entire prefecture to unite and work hard and achieve even greater results in the new year and during the Seventh 5-Year Plan period in building an even better Qianxinan.

Leading a 30-member study group formed by cadres at all levels from the 27 departments of the central organs, Comrade Hu Yaobang left Beijing on 4 February on an inspection tour in the impoverished areas in Guizhou, Yunnan, and Guangxi. He arrived in Guizhou's Xingyi from Yunnan's Luoping County on 7 February.

On 8 February, Hu Yaobang first arrived at the Qianxinan Nationalities Teachers College to extend Spring Festival greetings to the teachers. He also held a forum with them.

Then with high spirits, he arrived at a mountain village of Bouyei nationality people and visited several peasant families. He cordially chatted with them and inquired about their production and living conditions. Upon hearing that the general secretary had arrived, men and women, young and old, gathered at the village entrance to warmly welcome Comrade Hu Yaobang. Huang Weigang, a Bouyei peasant and a provincial labor model, invited the general secretary to lunch at his home. Complying with the customs of the Bouyei people, Comrade Hu Yaobang ate a family reunion dinner with the eight members of Huang Weigang's family amidst conversation and laughter. In the afternoon, Hu Yaobang traveled over 100 kilometers by car and arrived at the construction site of Tianshengqiao hydropower station, a major state project. There he extended Spring Festival greetings to the staff and workers of the ninth engineering bureau of the Ministry of Water Resources and Electric Power as well as to the commanders and fighters of the first water resources and electric power battalion of the armed police brigade who insisted on continuing their construction work during the Spring Festival holidays.

Since 4 February, Comrade Hu Yaobang has inspected a number of areas and counties in the mountain prefectures of Qianxi, Qiandongnan, and Qianxinan and has heard work reports from local leaders along the way. On the afternoon of 7 February, while inspecting Luoping County in Yunnan, he joined about 400 people of the Miao, Bouyei, Yi, and Han nationalities in a mass Spring Festival get-together. He happily joined hands with the people of various nationalities to form a circle and joined them in a happy dance for the "great unity of nationalities" in a plaza covered with green pine needles.

Accompanying Comrade Hu Yaobang in his inspection tour were Hu Jintao, secretary of Guizhou Provincial CPC Committee; Wang Chaowen, governor of Guizhou Province; and Pu Chaozhu, secretary of the Yunnan Provincial CPC Committee.

Dividing into three groups, the inspection group led by Comrade Hu Yaobang left for the impoverished areas respectively in northwestern Guizhou, southeastern Yunnan, and northwestern Guangxi on 5 February to discuss with local cadres and masses measures to develop production, eradicate poverty, and become affluent, and to extend their Spring Festival greetings to the local people of various nationalities.

Xi Zhongxun, Li Peng at Party

OW072340 Beijing XINHUA Domestic Service in Chinese 1257 GMT 7 Feb 86

[By reporter He Ping]

[Text] Beijing, 7 Feb (XINHUA) -- Party and state leaders had a happy get-together today with leaders of various democratic parties, personages without party affiliations, and noted people of all walks of life to mark the Spring Festival.

Festooned with lanterns and decorations, the hall of the United Front Work Department of the CPC Central Committee was in a festive mood this morning. Present at the party were Xi Zhongxun and Li Peng, members of the Political Bureau of the CPC Central Committee; Bo Yibo, vice chairman of the Central Advisory Commission; Peng Chong, Zhu Xuefan, Ngapoi Ngawang Jigme, Bainqen Erdini Qiogyi Gyaincain, Zhou Gucheng, and Rong Yiren, vice chairmen of the NPC Standing Committee; and Yang Jingren, Cheng Zihua, Hu Ziang, Qian Changzhao, Burhan, and Fei Xiaotong, vice chairmen of the CPPCC National Committee. When they arrived in the hall, they warmly shook hands with everybody and exchanged greetings.

Addressing the party, Bo Yibo wished a happy festival, health, and longevity to the leaders of the Revolutionary Committee of the Chinese Kuomintang, the China Democratic League, the China Democratic National Construction Association, the China Association for Promoting Democracy, the Chinese Peasants and Workers Democratic Party, the China Zhi Gong Dang, the Jiusan Society, the Taiwan Democratic Self-Government League, the All-China Federation of Industry and Commerce, the All-China Federation of Taiwan Compatriots, and the All-China Association of Vocational Education; personages without party affiliations, and noted personages of ethnic and religious circles.

He said: In 1985 our country made new strides in reform. On the whole, the situation in 1985 was fine. This can be seen by the achievements in three areas: First of all, people throughout the country supported the party's correct lines, principles, and policies, which won a favorable response both at home and abroad. Second, new headway was made in economic reform, and the living conditions of people in cities and rural areas were improved in various ways. Third, the party and the country had never been so united before. We should say that these successes had everything to do with the wisdom and efforts of people of all democratic parties and people without party affiliations.

Bo Yibo said: Comrade Deng Xiaoping has stressed that, while opening up to the outside world and enlivening the domestic economy, we must also strike at economic crime. We must do a good job in promoting socialist ethics and improving party conduct. I hope party and nonparty members will help each other, show utter devotion to each other, and share weal and woe. I particularly hope that members of noncommunist parties will continue to give us suggestions to help us improve our work. Let us work hard together to achieve our magnificent plan during the new year.

On behalf of Deng Yingchao, chairman of the CPPCC National Committee, Yang Jingren extended cordial festive greetings to all present at the party. He also wished everybody health, longevity, a successful career, and happiness.

Speaking at the meeting, Hu Ziang said that all democratic parties and mass organizations should do their work even better with one heart and one soul under the CPC leadership.

Yang Mingfu, head of the United Front Work Department of the CPC Committee, chaired today's tea party, during which entertaining performances were staged by literary and art workers who are members of various democratic parties.

Xi Zhongxun Visits Retired Leaders

OW081448 Beijing XINHUA in English 1439 GMT 8 Feb 86

[Excerpt] Beijing, February 8 (XINHUA) -- Leading members of the Central Committee of the Chinese Communist Party respectively called on some retired senior leaders in Beijing on the eve of the Spring Festival.

Xi Zhongxun, a member of the party Central Committee Political Bureau, Wang Zhaoguo, a member of the party Central Committee Secretariat, and Wang Heshou, second secretary of the party Central Commission for Discipline Inspection, visited Marshals Ye Jianying, Liu Bocheng and Nie Rongzhen as well as other retired veteran revolutionaries Huang Kecheng and Cai Chang.

Yang Shangkun in Fujian

OW100215 Beijing XINHUA Domestic Service in Chinese 1208 GMT 9 Feb 86

[By reporter Xu Ming]

[Text] Fuzhou, 9 Feb (XINHUA) -- Yang Shangkun, member of the Political Bureau of the CPC Central Committee and vice chairman of the Central Military Commission, attended Spring Festival celebrations for leading party, government, and military comrades in Fuzhou today. He extended Spring Festival greetings to the servicemen and people in Fujian Province on behalf of the CPC Central Committee and the Central Military Commission.

The jubilant sound of firecrackers reverberated above Fuzhou City on New Year's Day. Accompanied by Xiang Nan, secretary of the Fujian Provincial CPC Committee, Yang Shangkun entered the celebration hall to meet with the participants at 0830. He praised Fujian's achievements over the past several years. He said: Being one of the provinces with the largest number of Overseas Chinese and being the nearest province to Taiwan, I hope that Fujian will continue to do well the work on Overseas Chinese and Taiwan compatriots and to attract more overseas technology, funds, and qualified personnel to promote still greater local economic development.

Yang Shangkun also told comrades attending the party: Leaders at various levels in Fujian Province have done voluminous work in assisting military construction. The Fujian provincial party committee and the provincial government in particular have contributed much effort toward assisting the military units in the reduction in strength and reorganization of the Army and placing retired veteran comrades. He expressed the hope that the retired veteran comrades of the party, the government, the military in Fujian Province would continue to play the role of assisting the Fujian Provincial Party Committee improve its work. After the party, Yang Shangkun joined the masses at Fuzhou's Xihu Park to celebrate the Spring Festival.

On 8 February, Yang Shangkun also received leading cadres at or above the army level of PLA units stationed in Fuzhou and retired veteran comrades and wished them a happy festival and good health.

Peng Zhen Tours Zhejiang

OW090140 Beijing XINHUA Domestic Service in Chinese 1414 GMT 8 Feb 86

[Text] Hangzhou, 8 Feb (XINHUA) -- Peng Zhen, member of the CPC Central Committee's Political Bureau and chairman of the NPC Standing Committee, today attended the Spring Festival gathering sponsored by the Zhejiang Provincial CPC Committee and people's government. He also visited the fighters of a certain armed police unit guarding the Qiantang Jiang Bridge.

Holding a cup of tea and smiling at the Spring Festival gathering, this morning, he wished the over 400 cadres present a happy Spring Festival. He said: "Just as in the whole country, the situation in Zhejiang was very good last year." In high spirits, he and all others then watched Shaoxing opera, light music, and excerpts of other operas presented by Zhejiang's literary and art workers.

Also attending this gathering were Jiang Hua, member of the Standing Committee of the CPC Central Advisory Commission, and Chen Zuolin, secretary of the CPC Central Discipline Inspection Commission. Leading comrades of Zhejiang provincial party, military, and government organizations also attended the gathering.

At 1600 Comrade Peng Zhen visited the armed police commanders and fighters guarding the Giantang Jiang Bridge. He was accompanied by Wang Fang, secretary of the Zhejiang Provincial CPC Committee. After hearing a briefing on this unit's promotion of spiritual civilization, he said: "You have been working very hard. We now wish you a happy new year. The mission of armed police is extraordinary. You are indispensable to the construction of the motherland and to the people. I hope you carry forward the tradition of serving the people wholeheartedly and do an even better job of protecting the four modernizations."

Wan Li Praises Tianjin Cadres

OW080515 Beijing XINHUA Domestic Service in Chinese 1547 GMT 7 Feb 86

[By reporter Ma Jie]

[Text] Tianjin, 7 Feb (XINHUA) -- Wan Li, member of the Political Bureau and Secretariat of the CPC Central Committee and vice premier of the State Council, today attended a Spring Festival soiree in Tianjin to support and give preferential treatment to the Army and to support the government and cherish the people; he extended his Spring Festival greetings to the army men and people attending the soiree.

Before the soiree began, Comrade Wan Li met with veteran cadres in Tianjin who had retired, model workers, and representatives of heroes and martyrs' dependents of PLA units stationed in Tianjin. He told the veteran cadres who had retired: It is hoped that you will actively participate in various sports activities, keep yourselves healthy, and at the same time, make contributions to reforming the economic structure. Comrade Wan Li also shook hands with Liu Dugang, a cleaning worker of the Hebei regional environmental protection bureau and Xu Fengying, a worker of the Jiangdu road housing administration in Tianjin City who was praised as a "national model worker in the exchange of housing assignments." He wished them even greater success.

Attending the soiree were Secretary Ni Zhifu of the Tianjin Municipal CPC Committee, Mayor Li Ruihuan, and others.

Yu Qiuli Hails Beijing PLA

OW080432 Beijing XINHUA Domestic Service in Chinese 1308 GMT 7 Feb 86

[By reporters Huang Zhimin and Gai Yumin]

[Text] The leading comrades of the Ministry of Civil Affairs and Beijing Municipality held separate forums today with leading comrades of leading organs of PLA units stationed in Beijing and the headquarters of the Chinese People's Armed Police Force to exchange Spring Festival greetings. The army men and the people are determined to do a good job in supporting the Army and cherishing the people in the new year and make new contributions to strengthening unity between the Army and the government and between the army men and the people.

Yu Qiuli, member of the Political Bureau of the CPC Central Committee, and director of the PLA General Political Department, attended the forum to foster unity between the Army and the government and build spiritual civilization with the joint efforts of the army men and the people -- a forum sponsored by the Beijing Municipal CPC Committee, the municipal government, and leading organs of PLA units stationed in Beijing. He also delivered a speech at the forum.

He said: In recent years, the army men and people in the capital have earnestly implemented the instructions issued by the party Central Committee and have scored remarkable achievements in building socialist material and spiritual civilizations. This is an achievement by people of all walks of life in the capital as well as the commanders and fighters of PLA units stationed in Beijing. He emphatically pointed out: Being the capital, Beijing is the site of the party Central Committee. To strengthen unity between the Army and the government and between the army men and the people and to develop the two types of civilization in the capital is of great significance to the whole country. Particularly, this is the first year of the Seventh 5-Year Plan and an important year to bring about a fundamental turn for the better in party style as pointed out by the party Central Committee. The army men and the people in the capital must further strengthen unity, work with concerted efforts, carry out their work well in the capital, and build the capital into a first-class civilized city in the country as soon as possible.

At the forum, leading comrades of Beijing Municipality Li Ximing, Chen Xitong, Jiao Ruoyu, and Jin Jian joined leading comrades of the PLA's three general headquarters Xu Huizi, Zhou Wenyan, Zong Shunliu, and others in reviewing gratifying results attained by the army men and the people in supporting the Army and giving preferential treatment to military dependents, in supporting the government and cherishing the people, and in building socialist spiritual civilization with the joint efforts of the army men and the people.

At the forum sponsored by the Ministry of Civil Affairs and the three PLA headquarters, comrades from the Ministry of Civil Affairs highly praised the commanders and fighters of the PLA and the armed police forces for their outstanding achievements in active support of national construction and the two types of civilization while triumphantly fulfilling the tasks of strengthening national defense, conducting military training, and safeguarding the security of the people. The comrades from the three PLA general headquarters and the headquarters of armed police forces thanked the local government and departments of civil affairs at all levels for their concern for and support of the Army and armed police forces. Attending the forum were Cui Naifu, Yang Chen, Zhang Ming, He Qizong, Zhou Wenyan, Zhang Bin, Li Lianxiu, and others.

Chen Yun, Li Peng With Teachers

OW092023 Beijing XINHUA Domestic Service in Chinese 1150 GMT 9 Feb 86

[By reporter Zou Aiguo, Yu Jiafu]

[Text] Beijing, 9 Feb (XINHUA) -- Extending his festive greetings to a group of kindergarten, secondary, and primary school teachers, Chen Yun, member of the Standing Committee of the Political Bureau of the CPC Central Committee, said today that making primary and secondary education a success is a cardinal project having an important bearing on improving the quality of the Chinese people. He said: "The responsibilities on the shoulders of kindergarten, secondary, and primary school teachers are heavy, their profession is noble, and they should have the people's respect."

Comrade Chen Yun cordially met with nine representatives of Beijing's primary and secondary schools and kindergartens at his residence at 1000 this morning. He said: "Today is the Spring Festival. I am very glad to be able to spend this traditional festival with you, representatives of outstanding teachers. Allow me to extend my festive regards to you and all other teachers and personnel working on the nation's educational front!" Also present at the meeting was Li Peng, member of the Political Bureau and Secretariat of the CPC Central Committee, vice premier of the State Council and concurrently minister in charge of the State Education Commission. The cordial talks with the teachers' representatives were often interrupted by laughter and warm applause.

The nine teachers were: Tao Xiping, principal of Beijing Middle School No 12; Wang Bilin, a teacher of the teaching research office of Beijing's Chongwen District Education Bureau; Ning Hongbin, a teacher of Beijing Middle School No 80; Wang Qixian, vice principal of Beijing Experimental Primary School No 1; Zhou Sujun, a teacher of Beijing's Tongzhen Jinjia Lane Primary School; Wang Jifen, head of Beijing's Dongcheng District Donghuamen Kindergarten; Tang Shaozhen, a lecturer of Beijing Teacher Training School No 3; Wei Xiaolong, a teacher of Beijing Middle School No 41; and Qian Yao, acting principal of Beijing's Huangzhuang Vocational Middle School.

Wang Qixian, an 80-year-old special classification teacher who has been teaching for 60 years, was the first to speak at the meeting. He said: All social quarters care for teachers of the people. As teachers, we should respect and care for ourselves, make ourselves more proficient, and prove ourselves with actual deeds. Tao Xiping, a Beijing special class model worker for 1985 and a winner of Beijing's Teacher's Award, reported on his school's educational reform and its work-study program. He said: The four modernizations are in need of proficient personnel, who must be trained, and training requires teachers. As teachers, we must work hard to shoulder the responsibilities of the day.

While listening to their speeches, Comrade Chen Yun frequently expressed his approval by saying: "You are right!" He said: "Primary and secondary school teachers and kindergarten teachers are hard-working 'gardeners' on the educational front. You have been working diligently without complaints for decades, and you have trained large numbers of personnel for our country's socialist construction. The people, as well as the party and the state, are thankful for your contributions, which are closely related to our great country's prosperity."

Comrade Chen Yun said: "The Spring Festival symbolizes the beginning of spring. 'When a new cycle begins, everything looks fresh and gay.' During the new year, we must, while consolidating and developing achievements in our material construction, work hard to intensify our socialist spiritual construction. Our schools are important places for imparting cultural, scientific, and technical knowledge, as well as places for training people needed in building a socialist society. They are also important bastions for socialist spiritual construction. Primary and secondary education, as well as kindergarten education, is basic education. We must not fail in making it a success."

Wang Jifen, a special classification teacher, and Ning Hongbin, winner of Beijing's Teacher's Award in 1985, pointed out at the meeting that the improvement of teaching quality consists in educating students as well as making teaching more effective, and that the proportion of students entering higher level schools should not be regarded as a substitute for the proportion of students becoming useful. Comrade Chen Yun praised their good ideas.

Comrade Chen Yun said: "The students of secondary and primary schools today will become successors to our magnificent socialist modernization drive. Their thinking, and whether or not they can shoulder the historical burden in the future, has a close relationship with the education they receive in primary and secondary schools. This is to say that, to a certain degree, the performance of our country's kindergarten, secondary, and primary school teachers will determine China's situation in the 21st century."

The more they talked, the more excited the teachers became; and since everyone wanted an opportunity to speak, the meeting proceeded in a very lively manner. When 29-year-old Wei Xiaolong, the youngest of the nine teachers, presented a glittering medal which he won for being a model worker in Beijing to Comrade Chen Yun, Comrade Chen Yun received it with a smile of satisfaction.

Comrade Chen Yun then urged everybody to do his job well. He said: "During the new year, I hope every kindergarten, secondary and primary school teacher will continue to display the spirit of working without regard for fame or benefit, love their work, love the students, strive to heighten their political consciousness, make themselves more competent, be worthy of the name of teacher, do what is right, work in a down-to-earth manner, and be dedicated to the great socialist educational cause."

During the conversations, the teachers also presented their opinions regarding restructuring the educational system and solving the problems of schools and teachers. Comrade Chen Yun said: "Party and government organizations at all levels must care for teachers, help them solve some real problems, and create even more favorable working and living conditions for teachers." Comrade Li Peng indicated that the State Education Commission would seriously study the teachers' opinions. Toward the end of the meeting, Comrades Chen Yun and Li Peng posed for a picture with the teachers.

Hu Qiaomu Encourages Publishers

OW080032 Beijing XINHUA Domestic Service in Chinese 1254 GMT 7 Feb 86

[By reporter Yang Qing]

[Text] Beijing, 7 Feb (XINHUA) -- Hu Qiaomu, member of the CPC Central Committee's Political Bureau, called on cadres and workers at the Beijing Publishing House, the Wang Fukai Xinhua Bookstore, the Beijing printing plant No 1, and the Beijing municipal newspaper retail company on 4 and 7 February. He expressed his gratitude for their hard work in building the socialist spiritual civilization.

In a discussion with the responsible comrades of these units, Hu Qiaomu said: In building socialist spiritual civilization, it is necessary to do a good job in publication, printing, and distribution, which are important tasks of the nation. He urged them to bring out their pioneering spirit; overcome difficulties; work out more strategies; adapt their products to the new situation; and actively promote the development of publication, printing, and distribution in order to satisfy the needs of society.

Chen Muhua At Market, Bank

OW090218 Beijing XINHUA Domestic Service In Chinese 0808 GMT 8 Feb 86

[By reporter Qiu Yuan]

[Excerpts] Beijing, 8 Feb (XINHUA) -- Chen Muhua, alternate member of the Political Bureau of the CPC Central Committee and state councillor, and Wang Bingqian, state councillor, visited the Zhaonei food market in Beijing. Following the jostling crowd, they walked to various counters to convey their regards and extend their Spring Festival greetings to sales clerks.

The Zhaonei food market was packed with nonstaple food from over 10 provinces and cities. There were 800,000 jin of vegetables alone. For the past few days, workers and staff of the food market have worked over 10 hours a day busily selling food for the Spring Festival. Comrade Chen Muhua spoke to the manager of the food market. She said: Sales clerks work very hard. The party Central Committee and State Council are concerned about you. They have asked us to convey their greetings. Food marketing is a major trade of tertiary industry. It is indispensable to everyone. It is hoped that you will give even better service in the new year.

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Wang Bingqian suggested that a bulletin board be put up in the food market to regularly propagate the state commercial and price policies and to explain why some commodities are in short supply or in surplus and why the prices of some commodities fluctuate so much. All this should be considered fine ideological work.

After visiting the food market, Chen Muhua and Wang Bingqian went to the Dongsì branch of the Beijing Municipal Bank of Industry and Commerce to greet the bank clerks and staff who were working hard there. Chen Muhua spoke to a responsible person of the bank branch. She said: The workers and staff in the field of finance made remarkable contributions to promoting stability and developing the favorable situation in 1985. During this year, we must continue to strengthen and improve the control of macroeconomic activities while invigorating microeconomic activities. It is necessary to improve services aimed at increasing the amount of savings deposits, to make rational use of funds in carrying out reforms, and to turn the bank into an effective lever in readjusting the national economy. She also suggested that more deposit boxes be set up so that the people can make deposits more conveniently.

Chen Pixian Visits Shanghai

OW081921 Shanghai City Service in Mandarin 0100 GMT 8 Feb 86

[Text] Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the NPC Standing Committee, visited the office of the Shanghai Municipal People's Congress Standing Committee on the morning of 7 February. He called on the comrades of the Municipal People's Congress Standing Committee and held a cordial discussion with them. Chen Pixian first gave them his regards and wished them a happy Chinese New Year.

He said: Shanghai is an industrial, banking, scientific and technological, and cultural center of China. The work of the Shanghai People's Congress Standing Committee is very important. I hope that you will seriously do your work well and fulfill the duties assigned you by the Constitution and other laws.

Chen Pixian in Jiangsu

OW100030 Beijing XINHUA Domestic Service in Chinese 1507 GMT 9 Feb 86

[Text] Beijing, 9 Feb (XINHUA) -- On 9 February Chen Pixian, member of the CPC Central Committee Secretariat and vice chairman of the NPC Standing Committee, joined the people of Changzhou City in Jiangsu Province in celebrating the Spring Festival.

Chen Pixian; Han Peixin, secretary of the Jiangsu Provincial CPC Committee; and Chu Jiang, chairman of the Jiangsu Provincial People's Congress Standing Committee, went to Lihua Village in Changzhou City this afternoon. They visited workers' homes, inquired about their work and livelihood, and extended festival greetings. Chen Pixian took part in Spring Festival celebrations held in Changzhou City in the evening.

Wang Renzhong and Han Xianchu, vice chairmen of the NPC Standing Committee, currently on an inspection tour in Wuhan, celebrated the Spring Festival with local servicemen and the people in Wuhan City in Hubei Province today.

Hao Jianxiu Helps Market Sales

OW080533 Beijing XINHUA Domestic Service in Chinese 1501 GMT 7 Feb 86

[By reporter Li Anding]

[Text] Beijing, 7 Feb (XINHUA) -- Hao Jianxiu, member of the Secretariat of the CPC Central Committee, went to the bustling Chongwenmen food market in Beijing on the afternoon of 7 February. Skillfully operating an electronic scale, Comrade Hao Jianxiu enthusiastically helped the buyers with their purchases. She helped a middle-aged woman put a couple of plump and tender chickens into a string bag. The buyers roared with laughter when she said: With an ample supply of goods for this Spring Festival and the extended hours of food markets, you need not worry about buying satisfactory Spring Festival goods.

Hao Jianxiu learned that the salesclerks at the Chongwenmen food market had lately been working overtime, at times 12 to 13 straight hours in a single day. She cordially said to the salesclerks: The party and the people are grateful for the hard work of comrades on the commercial front in ensuring a brisk market and abundant supply. We are here to help you sell Spring Festival commodities as well as to extend advance new year greetings to commercial personnel working during the Spring Festival in various parts of China.

Zhang Aiping Meets Scientists

OW071049 Beijing Domestic Service in Mandarin 1200 GMT 6 Feb 86

[Text] Zhang Aiping, deputy secretary general of the Central Military Commission, received, on the afternoon of 6 February at the command center of the National Defense Science, Technology, and Industry Commission, scientists, specialists, and counsellors engaging in the development and production of China's communications and broadcast satellites, and extended Spring Festival greetings to them and the counselling personnel who had stood fast at their fighting posts. A letter from Nie Rongzhen to Zhang Aiping after the successful launch of the communications and broadcasting satellite was read to the meeting.

CIRCULAR OUTLINES TRANSFER OF ARMED FORCES

OW082057 Beijing XINHUA Domestic Service in Chinese 0815 GMT 8 Feb 86

[Text] Beijing, 8 Feb (XINHUA) -- The work of transferring county (city) people's armed forces departments to the local organizational system will begin soon in line with the plan of Army structural reform, administrative streamlining, and reorganization. The CPC Central Committee, State Council, and Central Military Commission recently issued a circular urging local party committees, governments, and military districts at all levels to exercise effective leadership in successfully carrying out the task of transferring people's armed forces departments to the local organizational system.

To ensure that the work of transferring county (city) people's armed forces departments to the local organizational system will be carried out smoothly, the CPC Central Committee, State Council, and Central Military Commission drew up "regulations concerning questions related to the transfer of county (city) people's armed forces departments to the local organizational system."

The document points out: After county (city) people's armed forces departments are transferred to the local organizational system, working personnel of these departments, while their responsibilities remain unchanged, will become local staff, subject to the dual leadership of local and military authorities. This is a correct policy decision based on the overall interests of national economic construction and military building and is conducive to the plan of relying on local party committees and governments for carrying out militia and reserve service work well. The document provides explicit stipulations on the organizational setup; leadership relations; work responsibilities; selection, allocation, and training of cadres; their wages, benefits, and uniforms; and the source and management of people's armed forces departments funds affiliated with the local organizational system. This fully shows that the CPC Central Committee, State Council, and Central Military Commission are concerned with and take people's armed forces work seriously.

The documents points out: After transfer into the local organizational system, cadres of the people's armed forces departments should become officers of the reserve service. The wages and benefits of cadres, workers, and other employees should be based on the standards and regulations for the cadres, police, and other employees of local public security departments. Beginning 1 January 1987, funds for these departments as local administrative expenses for state-set administrative establishments. As people's armed forces departments are military units, they should be managed in accordance with the regulations and ordinances of the People's Liberation Army.

The circular issued by the CPC Central Committee, State Council, and Central Military Commission on questions related to the work of transferring county (city) people's armed forces departments to the local organizational system calls on all localities to earnestly implement the "regulations concerning questions related to the transfer of county (city) people's armed force departments to the local organizational system" and to readjust and allocate personnel for the establishment of people's armed forces departments. Cadres designated for transfer to other local units or to civilian work should be handled in accordance with regulations governing military cadres retiring from active service. Efforts should be made to do a good job in checking on weapons, equipment, funds, and all kinds of materials. Inland people's armed forces departments should complete the transfer by June 1986. Except for those not being transferred for the time being, county people's armed forces departments on the coastal and border frontier line should complete the transfer by the end of 1986.

The circular points out that the transfer of county (city) people's armed forces departments to the local organizational system covers wide-ranging areas in fundamental policy decisions. The various provinces, autonomous regions, and municipalities, as well as prefectures and cities, should set up leading groups composed of principal responsible comrades of local and military authorities to work out details and implement transfer work. Cadres of the people's armed forces departments should submit themselves to the arrangements of their organizations, abide by discipline, and stand fast at their posts to ensure normal operation of their units. It is necessary to strictly enforce all rules and regulations as well as financial discipline to avert unhealthy tendencies and other accidents.

PLA LOGISTICS DIRECTOR VIEWS MILITARY SPENDING

HK100854 Beijing ZHONGGUO XINWEN SHE in Chinese 0236 GMT 7 Feb 86

[Report by Li Wei: "Hong Xuezhi on Chinese Army's Logistics Work"]

[Text] Beijing, 7 Feb (ZHONGGUO XINWEN SHE) -- When interviewed by this reporter, Hong Xuezhi, director of the PLA General Logistics Department, recently said: China has reduced military spending in recent years in order to contribute more to peaceful construction.

He revealed that China's military spending in 1981 was 2 billion yuan less than the year before. The budget for military spending for 1985 was 18 billion yuan or so, which has not yet been reduced to the level of 1980.

Hong Xuezhi added: Although military spending has been reduced, things have been carried out well. Last year, the whole Army accomplished various tasks aimed at ensuring the completion of training and operations and satisfying the demand of daily necessities. The situation of implementing the budgetary plan for military spending is basically good.

Hong Xuezhi stated: The Chinese Army has established a comprehensive logistics system characterized by complete range of categories, numerous special lines, and complicated technology. In accordance with different strategic, operational, and tactical requirements, and the characteristics of the armed services, a three-level -- general headquarters, military regions (armed services), and group army -- logistics supply and administrative system has been set up, which covers material supply, equipment and facilities repair, medical and sanitary services, communications and transportation, and production of military supplies. This system can satisfy the demand of the building of various armed services and joint operations. In recent years, in the course of carrying out our military struggle against Vietnam along the border of Guangxi and Yunnan, our logistics work has constantly improved, and our troops are comparatively satisfied with it.

Last year was a year in which the Chinese Army achieved fruitful results in its structural reform. Hong Xuezhi also told this reporter: As far as logistics reform is concerned, apart from ensuring smooth progress in the reform of uniforms and wages, the work of streamlining the administrative structure and reorganization in various large logistics units under the General Logistics Department, military regions, and armed services has also been basically completed. The administrative system of strategic warehouses has been readjusted. A base command headquarters under the General Logistics Department has also been established.

He repeatedly stressed that the Army's logistics work should conform with the demands of the building of the Army and modern warfare. In the meantime, it should submit itself to and serve the general situation of the economic construction of the state and the building of the troops.

With regard to the progress made in recent years in the modernization of logistics work and the efforts to be exerted in the future, Hong Xuezhi said: The modernization of logistics work is mainly reflected in the renewal of the logistics technology and facilities, the improvement of supplies, and the enhancement of the level of vocational management. At present, advanced technology such as computers and others have been widely applied to logistics work. We are also firmly grasping the automation of the command system and administrative network of logistics work. It is expected that we will achieve results in this regard this year. As far as efforts to be exerted in the future, our main efforts will be placed on establishing a more efficient and rational and highly effective organizational system, building systematized logistics bases, and providing facilities so that we can readily deal with all possible emergencies. We should also further improve logistics facilities and equipment so that they will become more mobile with the mobility of our troops. Systematic, rapid, and uninterrupted supplies should be ensured.

Hong Xuezhi is a senior revolutionary of the older generation. He is also an expert in logistics work, who has real knowledge and deep insight. He was once deputy commander of the Chinese People's Volunteers, and commander of the logistics headquarters of the volunteers. After that, he was appointed deputy director and director of the PLA General Logistics Department.

The so-called movement of opposing the "right" deviation in 1959 brought calamity to this old general who is highly principled, outspoken, and straightforward, and handles matters impartially. After the movement, he was sent to a lower level and worked as director of certain bureaus and sections in Jilin Province for about 20 years. In 1977, he was transferred by Beijing and appointed director of office of National Defense Industry. He has been working as director of the General Logistics Department since 1980. He has been working hard over the past 5 years, and has made outstanding achievement. He is widely praised as a "red manager."

DEVELOPMENT OF RURAL CYL ORGANIZATIONS EXAMINED

OW071435 Beijing XINHUA Domestic Service in Chinese 0820 GMT 7 Feb 86

[Text] Beijing, 2 Feb (XINHUA) -- The CPC Central Commission for Guiding Party Rectification recently transmitted the "report on strengthening the building of CYL organizations in the course of rural party rectification" by the Secretariat of the CYL Central Committee, and issued a circular. The circular said: The CYL is an assistant and a reserve force of the party. Rural CYL organizations are the main party force in uniting and educating youth in rural areas. In the new situation of rural economic reform, the sound development of rural CYL organization in conjunction with party rectification, has great significance in fully arousing the enthusiasm and creativity of the vast number of rural youth on further implementing the party's various principle and policies in rural areas, on promoting ideological and political work in those areas, and on enhancing the development of socialist spiritual civilization. The circular pointed out: The report put forward some feasible opinions and measures on strengthening CYL organizations in rural party rectification. It is hoped that all party organizations will attach great importance to these opinions and measures, and, proceeding from the actual situation in individual localities, take the work of strengthening the building of rural CYL organizations as part of the party rectification drive and ensure the proper implementation of the work.

The report by the CYL Central Committee pointed out: CYL organizations in rural areas are the party's bridges and ties for linking vast numbers of rural youths. Attaching importance to, and ensuring, the proper development of CYL organizations and giving full play to their function as the party's assistant and reserve forces in the course of rural party rectification are extremely necessary. The report gave instructions in four respects on strengthening the building of CYL organizations:

1. To conduct education on the current situation, party and government policies, and current tasks among CYL members in the stage of party rectification and study, enabling the vast numbers of CYL members to understand the great achievements brought by reform of the rural economic system, and the far-reaching effects of that reform; to enable them to fully understand the guiding ideologies and basic substance of the party's policy in rural areas; to enable them to realize the historical responsibilities they are shouldering; and to propel them into making positive contributions in promoting material and spiritual civilizations in rural areas.

2. To pay attention to selecting and assigned CYL organizations' full-time cadres in the course of party rectification at district and township level. We should discover and select young party and CYL members, who are ideologically sound and keen on CYL work, and who have an honest work style, a relatively good educational background, and a fairly good working ability to fill the leading posts of CYL organizations at district and township level.

3. To establish and improve CYL grass-roots organizations. We should, through party rectification, set up CYL organizations in villages with a party branch, and in village and town enterprises of a considerable size. In places where there are many young people and no CYL members, party organizations may recruit members and set up CYL branches on behalf of the CYL.

4. To pay attention to recruiting party members from among outstanding CYL personnel in various trades in rural areas, particularly from among CYL cadres; and to make positive efforts to absorb advanced rural youths into the CYL. We should also pay attention to recruiting CYL members from among rural secondary school students and teenagers.

The report called on CYL leading organs at various levels to take the strengthening of CYL organizations in the course of rural party rectification as the central task for rural CYL organizations in this year and the next, change their work style, and conscientiously carry out work to CYL branch level.

RENMIN RIBAO DISCUSSES 7 YEARS OF PRICE REFORM

HK310610 Beijing RENMIN RIBAO in Chinese 17 Jan 86 p 5

[Article by Yan Jia: "Probing the Price Reform in Our Country"]

[Text] Price Reform Since the 3d Plenary Session of the 11th CPC Central Committee

The 7 years since the 3d Plenary Session of the 11th CPC Central Committee have witnessed the introduction of an all-round price reform with the aim of bringing the market mechanism into fuller play. The 7-year-old price reform covers a wide range of fields, has been carried out on a large scale, and has presented many new methods and rich experiences. Its extent has been far beyond all changes effected in the 30 years prior to the 3d Plenary Session of the 11th CPC Central Committee.

Since the 3d Plenary Session of the 11th CPC Central Committee, China began to introduce an all-round reform of the pricing system and of the price control structure; as a starting point, the purchase prices of major agricultural products were raised substantially. With regard to the planned readjustment of the pricing system, the state implemented seven major successive readjustments and some small-scale readjustments to cope with the problems actually existing in prices and with the need for economic development. These readjustments, which involved the prices of agricultural products, industrial consumer goods, and industrial production means (including transportation expenses), have belied the erroneous concept that "planned prices mean fixed prices." Meanwhile, along with reform of the economic structure as a whole, considerable progress has been made in upgrading the role of the market mechanism in regulating the pricing system through reform of the price control structure. Apart from grain, cotton, and other major agricultural products purchased by the state according to contracts, restrictions imposed on the prices of other agricultural products have basically been lifted. Among industrial consumer goods, price restrictions on all small commodities have been lifted. Many textiles are being sold at floating prices, while electromechanical products, among other industrial production means, are also basically subject to the floating price system.

Before 1983, the planned readjustment of the pricing system (hereinafter referred to as "readjustment") and the readjustment effected mainly through regulation by the market mechanism (hereinafter referred to as "relaxation") were carried out separately on a product basis.

After 1984, with the introduction of the state-approved "double-track system" regarding prices of production means as a starting point, a new mode featuring the coexistence of the "readjustment" and "relaxation" of the price of similar products began to emerge. Such a "double-track system" regarding prices is new and was unexpected at the beginning of the price reform. Many ownership systems have long coexisted in our country; even under the system of ownership by all the people, different areas have different interests. Moreover, many products are in short supply. As the state plan cannot cover all products, the phenomenon of coexistence of two or multiple prices for a same product has long been a common practice between state-owned enterprises on the one hand and collective, town and township enterprises on the other hand, as well as between enterprises directly subordinate to the central authorities and local enterprises. Under the condition that an overall readjustment of the pricing system is impossible, the practice of lifting restrictions on the prices of production means not covered by the state plan and of encouraging large and medium-sized state-owned enterprises to take part in market regulation are an original attempt, although it seems a little bit passive.

By and large, and 7-year-old price reform has been successful so far. The readjustment of prices for agricultural products has lent great impetus to the development of agricultural production. China, which used to import part of the staple agricultural products it needed, can now be self-sufficient in grain and has a surplus of cotton. The reform of prices for industrial consumer goods has resulted in a rise in the output of these goods and an increase in the variety of different designs. The supply of many of the most important products can now basically meet the people's evergrowing demands. The coal price reform has eased contradictions between supply and demand. Other reform measures regarding prices have also played their due roles in improving economic relations.

Some Experience Gained From the 7-Year Price Reform

First, price reform must be conditional on the reform of the microeconomic operational mechanism. The pricing system is the signal system for the economic operating mechanism. This signal system can only play its due role when microeconomic organizations are sensitive to the price signal. The conspicuous result of agricultural price reform in our country is closely related to the introduction of the contract system linking remuneration to work in rural areas. The reform currently underway in cities, featuring the expansion of enterprise decision-making power, has fully displayed all correct reform measures regarding prices and unreasonable functions of prices, and has thus helped to push, price reform ahead.

Second, rationalization of prices must be conditional on the exercise of effective control over demand. The reason for reform in agricultural prices and industrial consumer goods prices in China is that reasonable prices have given rise to growth in supply; effective control over demand has also been an important factor. Take the case of grain, where the average annual growth in the sale of trade grain in China between 1979 and 1984 was 6.474 million tons. In the same period, average annual growth in grain output was 17.09 million tons, and the average annual growth in the procurement volume was 11.087 million tons. The fact that the growth in supply was far higher than the growth in demand has been the main cause of stable grain prices. In the same period, growth in rolled steel output exceeded growth in grain output. However, since demand grew more rapidly the price of steel products not covered by the state plan has soared and remained high.

From the microeconomic point of view, the exercise of effective control over demand requires that all economic organizations exercise more rigid budget control. In the macroeconomic point of view, it requires a strict comprehensive balance between financial credit and the supply of materials, strict control over the issuance of currency, and in particular, control over the total value of capital construction investment and consumption funds. The reform introduced since the 3d Plenary Session of the 11th CPC Central Committee still has not achieved complete success in this respect.

Third, the combination of "readjustment" and "relaxation" is an effective way to gradually streamline the pricing system. Practice has shown that planned readjustment of prices by the state is, after all, a good way of straightening up the pricing system. This is because supply and demand of many products are relatively stable, and price problems can be seen quite clearly. Consequently, planned readjustment of prices can basically be done conforming to objective economic laws and market demand. Although there are always some difficulties in coordinating the interests of different sectors prior to the introduction of a planned readjustment of prices, various measures can be taken to assist the operation before it is initiated. In addition, we have a contingent of cadres familiar with the process of price readjustment and able to keep the fluctuation of prices well under control after the process is initiated. Convincing evidence of this can be seen by the results of the seven major readjustments, including reductions in the price of cotton cloth, chemical fiber fabric, tobacco and alcohol, watches, and so on, and an increase in railway and water transport fees.

The means of relaxation plays an irreplaceable role in rectifying the pricing system. Such a role is particularly obvious in those cases where prices of finished products have great flexibility regarding supply and demand, especially certain important products. There are a great many designs of such products, and substitutes for them can easily be found. The supply of and demand for these products can easily be affected by conditions in different places at different times, and a change in their prices has slight impact on economic activities. Under such circumstances, a planned readjustment cannot score reasonable results. A readjustment through market mechanism is more convenient.

Experience over the past 7 years has shown that both "readjustment" and "relaxation" are indispensable. Under certain conditions, the two processes can help each other advance; they are interchangeable. Practice has shown that a sound macroeconomic balancing power is necessary to price stabilization of some production means if they have a relatively wide influence and if it takes time to expand their supply. When the above condition is not available and the state does not have effective means and experience to exercise indirect control over commodity prices, lifting restriction on the prices of certain commodities, to be sure, can be very useful, but it will be relatively difficult to keep the consequent changes in prices under control. The price level may be raised too high, and thus may have an adverse influence on the macroeconomic balance and stability. Therefore, while continuing to lift restrictions appropriately on the prices of some of these products, we must step up the process of planned readjustment on a larger scale.

Fourth, in the course of price reform it is necessary to attach importance to the division of the price controlling power and, in particular, to strengthen the functions of the local and departmental organs in charge of pricing. After the 3d Plenary Session of the 11th CPC Central Committee, the state readjusted the division of the power of setting prices, and a diversified price setting system began to emerge. However, the role of local authorities and departments has been overlooked to a certain extent regarding the division of the price controlling power. Consequently, as far as specific price control work is concerned, there are many "loopholes" which nobody wants to take care of or which cause ambiguity. This has given rise to some chaos.

During the period of the Seventh 5-Year Plan, it is necessary to strengthen guidance, properly delegate price controlling power, revise the product control catalogue, urge all areas and all departments to share the risk of price reform, turn "tremendous shocks" into "slight shocks," and thus ensure the smooth progress of price reform as a whole.

Fifth, it is necessary to seize the opportune time to carry out price reform and to take supporting measures. Experience has shown that whether we have seized the opportune time and taken supporting measures is of great importance in easing the shock arising from price reform.

We have launched four reforms regarding the price of consumer goods, of which two were related to industrial consumer goods. The latter two reforms have scored good results because, as the process went on the prices of some products were raised and others reduced, the margins of price increases and reductions were in the main equal, and those commodities, the prices of which were raised, were not irreplaceable daily necessities. Meanwhile, the two price rises in agricultural and sideline products have aroused strong reaction in society. This was because, on the one hand, these two price rises took place immediately after abrupt increases in social consumption funds, which gave rise to a macroeconomic effect of inflation due to expanding demand. On the other hand, other supporting measures and specific schedules were not well arranged. Last year, after restrictions on vegetable prices were lifted, prices soared for a while in some places. This could also be attributed to the same causes.

Wages have an important bearing on commodity prices. The joint introduction of the readjustment of prices of important consumer goods and reform of the wage system will help to effectively mitigate the impact of the price readjustment.

The Guiding Ideology for Further Reform

After 7 years of reform, the price-setting mechanism of our country has been substantially improved, and great progress has been made in straightening out the pricing system. However, this still cannot meet the needs of the development of a planned commodity economy. Our country's price-setting mechanism is still rather imperfect, and the price system is still faced with some serious inconsistencies between price and value. These inconsistencies will inevitably lead to a conflict between microeconomic targets and macroeconomic goals, as well as failure to fulfill the requirements for the operation of the new economic structure. Further resolution of this contradiction is a task to be dealt with by price reform during the period of the Seventh 5-Year Plan.

The general guiding ideology for price reform in the period of the Seventh 5-Year Plan should be: In order to meet the needs of the program of building socialism with Chinese characteristics and a planned commodity economy, and to fulfill the goal of "quadrupling output value" by the year 2,000, readjustment of the pricing system must be carried out along with reform of the price control structure. It is also necessary to do a good job of giving correct guidance to investments, invigorating large-sized enterprises, and improving economic results, as well as devoting every effort to making great progress in price reform regarding major projects and establishment of the price-setting mechanism for the planned commodity economy.

First, it is necessary to basically build a relatively rational pricing system of production structure and to effect a more reasonable investment composition. After reform of the economic structure, the proportion of the state financial investment to the total investment has substantially decreased, while the proportion of funds not covered by the state budget has increased by a wide margin.

The latter is much more sensitive to the price signal than the former. However, our country's existing pricing system fails to reflect the demand of economic development on the readjustment of the production structure; it plans instead a role of "adverse adjustment" harmful to investment and leading to enormous waste of precious resources. It is necessary to concentrate our attention on solving this problem in the period of the Seventh 5-Year Plan.

Second, price reform must prepare conditions for a structural improvement regarding the scale of basic industrial enterprises. As the backbone of the national economy, large and medium-sized enterprises enjoy the advantages of large-scale economy in terms of the infrastructure and the supply of energy, basic raw materials, and important mechanical products. On the other hand, small enterprises are best mainly in the manufacture of finished products, retail commerce, and service trades. During the period of the Seventh 5-Year Plan it is necessary to make further efforts to solve the problem of high-quality products manufactured by large and medium-sized enterprises and sold at low prices, while similar products of poorer quality are manufactured by certain small-sized enterprises and sold at higher prices. The aim is to give fuller play to the role of large and medium-sized enterprises and encourage small enterprises to practice economically rational management.

Third, it is necessary to restrain demand for products in short supply which give poor economic returns and to rationally use limited resources. At present, a serious shortage of many basic products has become the major obstacle to the country's economic development. Supply of these products is unlikely to increase dramatically in the near future. Therefore, one major step in easing the contradiction between supply and demand is to use price reform to restrict demand for products with poor economic returns and to rationally use limited resources.

Fourth, it is necessary to rationalize the composition of costs. Production costs are the basis of prices, reflecting economic relations between the enterprise and the state and between different enterprises. Without a scientific cost composition, there will be no reasonable prices; nor will there be normal operational conditions. A very unreasonable cost composition is a major hidden obstacle to the establishment of a market system. Although an examination of costs will not result in noticeable economic results in the near term, it will be an indispensable factor in achieving normal economic operations in the 1990's and beyond. We must make substantial progress in reform regarding cost composition in the period of the Seventh 5-Year Plan.

Fifth, apart from the prices of a few consumer goods, prices of other goods must be basically altered. Prices of goods, the demand for which exceeds their supply, should be made higher than the average price level; the supply of those which exceeds their demand should be made lower than the average price level. This would achieve a balance between supply and demand.

Sixth, it is necessary to establish a basic price control structure which fits the planned commodity economy. This structure must be able to quickly regulate the price system, respond to needs arising from changes in the market and the economic structure, and constantly maintain the rationality of the price system.

Seventh, price reform during the Seventh 5-Year Plan must be implemented within the proper scope under state control. No matter what form, "readjustment" or "relaxation," price reform during the period of the Seventh 5-Year Plan is going to assume, it will involve a readjustment of price structure and affect prices. Each change inevitably will cause a redistribution of interests between the state, enterprises, and the individual.

In order to ensure that the whole transition process is completed smoothly, we must strive to fulfill the following requirements: 1) The readjustment of prices will not add excessively to the economic burden. 2) When there are changes in the cost of energy, basic raw materials, and transportation, we must make every effort to avoid or minimize the fluctuation of the prices of processed products and reduce the impact through internal reform of enterprises and a profits tax readjustment. 3) It is necessary to insure that the growth margin of the masses' personal income slightly exceeds the rising index of commodity prices. This year's price reform will be mainly aimed at consolidating the promulgated measures and maintaining a basically stable general level of commodity prices.

LIAOWANG DISCUSSES NEW ECONOMIC REFORM LAWS

HK050939 Hong Kong LIOWANG OVERSEAS EDITION in Chinese No 4, 27 Jan 86 pp 8, 9

[Article by Zhang Xuixian: "China's Economic Laws Being Formulated in the Course of Reform"]

[Text] Over the last few years, China has made important headway in economic legislation and judicature and the research and teaching of economic laws. As the rapid pace, enormous quantity, and significant content of legislation have all been unprecedented, a system of economic laws and regulations has been gradually taking shape and has effectively protected and promoted the smooth progress of China's socialist modernization construction.

This was said by Gu Ming, leading member of the Economic Legislation Research Center of the State Council and president of the Society of Economic Laws of China, at the second national work conference on economic law theories held at the end of 1985. He disclosed that during the Seventh 5-Year Plan period, China will formulate more economic laws and regulations and actively plan to draft a scientific "program for economic laws," conforming with realities in China.

A few days ago, this reporter interviewed Professor Sun Yaming, advisor to the Economic Legislation Research Center of the State Council and vice president of the Society of Economic Laws of China, on the role of China's economic laws in protecting and promoting the economic structural reform and opening up to the outside world. From the founding of New China to 1976, China's supreme state power organs and administrative organs promulgated over 800 economic laws and regulations. Over the last few years, China also formulated over 300 economic laws and regulations, covering planning law, economic law, environmental protection law, civil law focusing on contracts, labor law, economic law concerning foreign economic relations and trade, and so on. Professor Sun believes that these laws and regulations have fully reflected China's principle of invigorating the domestic economy and opening up to the outside world and are the detailed and standard documents of China's economic principles and policies.

Considering that China's economic structural reform is carried out in close coordination with economic legislation and active promotion of various laws and regulations, Professor Sun first gave a briefing on the birth of China's foreign-related economic legislation as well as the roles it displayed in opening up to the outside world. In the light of the policy of opening up to the outside world, China enacted and promulgated over 50 foreign-related economic laws and regulations, such as the "law of the People's Republic of China on Chinese-foreign joint ventures," the "law of the People's Republic of China on economic contracts concerning foreign economic relations and trade," and so on, to encourage and attract foreign businessmen to make investments and set up joint ventures in China. From 1979 to September 1985, China already had over 1,800 Chinese-foreign joint ventures, 3,308 enterprises jointly run by China and foreign businessmen and 109 enterprises solely owned by foreign businessmen, gathering about \$20 billion in foreign capital through various patterns.

China's existing important economic laws and regulations were mostly formulated during the economic structural reform over the last few years. Professor Sun Yaming gave a more detailed explanation:

First, China began its economic structural reform with agriculture, as the old economic structure in the rural areas seriously fettered the development of rural commodity economy and productive forces. Successively, the CPC Central Committee issued several documents regarding developing agriculture and further relaxing rural policies, which mainly included the notice issued by the State Council through the State Economic Commission "regarding the report on actively developing diversified economy," as well as some economic laws and regulations promulgated by the State Council on developing enterprises run by communes and production brigades, extending the channels for circulating urban and rural commodities, allowing individual peasants or teams of peasant households to purchase motor vehicles and ships to engage in transportation, and so on. These and some other economic laws and regulations have greatly promoted the division of labor within agriculture and the development of commodity production and exchange, energetically propelled the development of town and township enterprises, strengthened the circulation of urban and rural commodities and ensured the entrance of peasants into the realm of circulation. Therefore, in only 3 to 5 years, we have succeeded to some extent in putting China onto the track of commodity economy from the state of self-sustaining and semi-self-sustaining rural economy in a planned way and quickened the transformation of rural economy into specialized and modernized commodity production.

Second, the initial reform of China's urban economic structure began with restructuring industrial management. Starting in July 1979, the State Council successively promulgated several economic laws and regulations regarding the extension of the decision-making powers of state-run industrial enterprises. In May 1984, the State Council explicitly stipulated in the "provisional regulations on further extending the decision-making power of the state industrial enterprises" that under the condition of ensuring the completion of state plans and contracts for supplying goods to the state, enterprises are allowed to independently increase the output of products needed by the state construction and the market and sell on their own products belonging to their part of profit retention, products in excess of state production targets, new trial-produced products, stockpiled products, and so on. These and other relevant economic laws and regulations have created important conditions for enterprises to truly become relatively independent economic entities and socialist commodity producers and managers who run their own enterprises and assume sole responsibility for their profits or losses. Meanwhile, under the guidance of the Sixth 5-Year Plan as well as annual plans, through the promulgation and implementation of the economic laws and regulations concerning the administration of finance and taxation, structural reform, reform of price systems, reform of commercial systems, reform of planning systems, reform of foreign trade systems, and so on, we have introduced the method of effecting a switch from profit delivery to tax payments. We have tried the principle of fixing prices according to the quality of goods and charging higher prices for better quality, broken the commercial monopoly of the state, and implemented the principle of the state, collectives, and individuals in all trades working together. We have also reduced the scope of mandatory planning and expanded the scope of guidance planning and regulation by market mechanism. Coupled with the quickened development of energy resources, communications, and transportation, we have shattered the old ossified and closed economic structure focusing on production, gradually set up a new economic structure, and contributed to the sharp increase in social productive forces.

Third, in order to expedite the scientific and technological structural reform, the educational structural reform has been closely integrated with the economic structural reform so that scientific and technological achievements can be rapidly and extensively used in production and scientific and technological personnel can be fully exploited.

In April 1985, China began to put into effect the "patent law of the People's Republic of China" and promulgated the "provisional regulations regarding technology transfers" in January 1985. With a view to further expanding economic and technological cooperation with foreign countries and raising China's scientific and technological levels, in May 1985 the State Council also promulgated "procedures of the People's Republic of China for the introduction of technology and administration of contracts." Meanwhile, the state set up an educational commission which is now strengthening the work of educational legislation.

Fourth, in order to separate government from enterprise responsibilities, appropriately separate ownership from right of management, and further expand enterprises' decision-making power, in April 1985 the State Council promulgated the "interim regulations on depreciation of fixed assets of state-run enterprises" and will soon promulgate the "law on state-run industrial enterprises" and the revised "regulations of the work of factory directors of state-run industrial enterprises." The main content of the "law on state-run industrial enterprises" mainly includes: 1) definition of the legal status of state-run industrial enterprises and affirmation of state-run industrial enterprises as legal entities; 2) stipulation of the implementation of the factory director responsibility system and affirmation of factory directors as representatives of legal entities; 3) strengthening the democratic management of enterprises by staff and workers; and so on. The revised "regulations on the work of factory directors of state-run industrial enterprises" define the qualifications, appointment, removal, and responsibilities of factory directors, as well as supervision, reward, and punishment for them. This is quite different from the previous factory director responsibility system which demanded that factory directors should work under the leadership of CPC committees. These "regulations" stipulate that factory directors (or managers) must determine enterprises' operational objectives and development orientations under the guidance of state plans. These economic laws and regulations will play an active role in invigorating enterprises, promoting technical transformation, improving business management, raising economic effectiveness and accelerating commodity production.

Fifth, with a view to strengthening horizontal economic ties between urban and rural areas, between regions and among enterprises, extensively organizing various economic combinations and vigorously developing socialized production and specialized coordination, at present China is stepping up the formulation of relevant general rules of civil law, regulations on contracts for railroad, highway, waterway, and air freight transportation as well as company law and regulations on joint ventures in China. The main content of company regulations includes the definitions of companies, liability patterns of companies, which stipulates two patterns: 1) the limited liability company, 2) the joint-stock limited liability company, and provisions for companies' dissolution, consolidation, bankruptcy, and so on.

Sixth, in order to open up an overall unified market, rapidly eliminate barriers and fetters between departments and regions at different levels and between the Army and the people, and make all the markets extend in all directions and reach all parts of the country and to boost the socialist commodity economy, China needs not only to extensively open up consumer goods, production means, technological information, labor services and construction markets, and so on, but also to cultivate a capital market to make it display the role of raising and accommodating capital under the state's macroeconomic control, so as to contribute to diverting idle capital to production and construction. Meanwhile, it is also necessary to energetically develop international markets. Therefore, we need to enact some relevant economic regulations and laws, such as the law against illegal deals, product liability law, the law for ensuring commodity quality, the law of bills, market management law, and so on.

Seventh, in order to accelerate the development of tertiary industry and promote the coordinated development of the primary and secondary industries, departments concerned of the State Council are now enacting relevant economic laws and regulations, such as railroad law, highway law, postal law, tourism law, the law on town and township enterprises, and so on.

Eighth, in order to better incorporate the administrative and supervisory functions of banks in national financial administration, namely, in the fields of credit, settlement, foreign exchange, wages and bonuses, floating capital and investment in capital construction, the "interim provisions for bank management" were promulgated and put into effect during the middle of January.

Ninth, the law of commerce, now being vigorously enacted, is for fully displaying state-run commercial departments' roles as main channels in commodity circulation and making them actively participate in regulation by market mechanism, readjust commodity prices, promote production and stabilize market under the guidance of state plans.

Tenth, the regulations on contracts for military industrial products now being drafted will shift the focus on scientific research and production departments of national defense onto serving the national economy and the people's livelihood under the condition of giving priority to ensuring military supply. Therefore, it is imperative to readjust military industry into industry which serves both military and civil uses.

ANHUI'S HUANG HUANG MEETS JAPANESE GUESTS

OW071011 Hefei ANHUI RIBAO in Chinese 24 Jan 86 p 1

[Text] Huang Huang, secretary of the Anhui Provincial CPC Committee, met on the afternoon of 23 January with Haruo Nishiuchi, president of the Kochi Prefectural Japanese-Chinese Friendship Association, Japan; Kei Yokoyama, business director of the Kochi Shimbun Company; and reporter Noriaki Miyamura. Tsutomu Nakauchi, governor of Kochi Prefecture, entrusted Mr Nishiuchi to forward his hand-written letter to Secretary Huang Huang. On behalf of the people of Kochi Prefecture, Mr Nakauchi extended his regards to the leaders and people of Anhui Province and his wish that the friendship between Kochi Prefecture and Anhui Province would deepen with each passing day. Secretary Huang Huang had a friendly conversation with Mr Nishiuchi. He hoped that Anhui Province and Kochi Prefecture would continue to strengthen exchanges and cooperation and work to make the economy of both sides prosper and to enhance Sino-Japanese friendship. He asked Mr Nishiuchi to convey his and the Anhui people's regards to Governor Nakauchi and the people of Kochi Prefecture.

Attending the meeting were Wang Jie, director of the Anhui Provincial Foreign Affairs Office and vice president of the Anhui Provincial Association for Friendship With Foreign Countries; and Xu Guocang, deputy director of the Anhui Provincial Foreign Affairs Office and vice president of the Anhui Provincial Association for Friendship with Foreign Countries.

JIANGSU: FOREIGN EXCHANGE-EARNING AGRICULTURE DEVELOPS

HK070353 Beijing RENMIN RIBAO in Chinese 30 Jan 86 p 1

[Report by Zheng Taibai: "Suzhou City Develops Agriculture To Earn Foreign Exchange"]

[Excerpts] In developing the rural economy, Suzhou City, located in the Chang Jiang Delta in Jiangsu Province, has conscientiously implemented the principle of integration of "trade, industry, and agriculture," and actively readjusted the production structure, thus speeding up the construction of the production base of agricultural and sideline products and commodities for export. Last year, the total volume of agricultural and sideline products and primary processed products procured for export amounted to more than 200 million yuan, an increase of 30 percent over the previous year. These exported products resulted in foreign exchange revenue totaling \$65 million; and taking into account the value arising from the export of fine processed products with agricultural and sideline products as raw material, the total is more than \$150 million.

Suzhou City has actively readjusted the production structure in rural areas, supporting the peasants by means of policies and in the form of material supplies and services, thus giving full play to the peasants in developing the production of agricultural and sideline products for export.

So far, around 70-80 plants processing agricultural and sideline products for export have been set up in Suzhou, of which more than half are run by townships. Wujiang County has set up three knitting mills to produce bright and beautiful knitwear made of rabbit hair. Their products are well received in the Shanghai and Nanjing markets. By implementing the principle of integration of domestic marketing and export, they have managed to double their profits.

Suzhou City has attached importance to scientific and technological development as well as to the improvement of the quality of agricultural and sideline products, and has encouraged the peasants to develop new export products. A few townships in western Wuxian County have been well-known for growing flowers and plants for centuries past.

At present, there are more than 100 specialized gardeners throughout the country, and dozens of kinds of flowers and plants have been marketed in Hong Kong and Macao. Meanwhile, a series of storage, refrigeration, and processing facilities is under construction.

Commentator's Article

HK070355 Beijing RENMIN RIBAO in Chinese 30 Jan 86 p 1

[Commentator's article: "There are Bright Prospects for Agriculture To Earn Foreign Exchange"]

[Text] Suzhou City has implemented the principle of integration of "trade, industry, and agriculture" in readjusting the production structure in rural areas, and the progress the city made last year in earning foreign exchange by exporting agricultural and sideline products, as well as processed products, shows that there are bright prospects for the development of foreign exchange-earning agriculture in economically developed coastal areas.

Foreign exchange-earning agriculture is mainly aimed at export. China's coastal areas enjoy various historical and geographical advantages regarding their overseas ties and produce many agricultural and sideline products which are traditionally famous abroad. However, due to the fetters of the self-supporting or semi-self-supporting economy over the years, the commodity rate regarding these products was low, the export volume was limited, and some products had even never been exported. Such circumstances have been serious obstacles to the further transition from agriculture to commodity production and have affected the further prosperity of rural economy in these areas.

Some people say: Now that agriculture is rather developed in the coastal areas, especially the Chang Jiang Delta, the Zhu Jiang Delta, and the southern Fujian triangular zone, development of agriculture is not likely to bring about any new breakthrough in the rural economy. Facts have shown that these areas are more developed than other parts of the country in agriculture, but are backward in many fields as compared with economically developed countries in the world, and there is still much room for development. One of the fields to be explored is the international market, with the focal point being the development of foreign exchange-earning agriculture, which will, in turn, give an impetus to the development of the processing industry for agriculture and sideline products, the communications and transportation industry, and commodity circulation, thus bringing about the prosperity of the economy as a whole. This has been proved by the case of the Suzhou area, where the establishment and development of a number of town and township enterprises with a fair ability to earn foreign exchange have given rise to a preliminarily connected circulation and service network. The foreign exchange-earning agriculture can serve as a new starting point and new motive force for the economically developed coastal areas in their efforts to develop agriculture. Agriculture will continue to boom there on the existing basis.

Of course, the foreign exchange-earning agriculture is not something to be achieved in one move. In the case of some products with fair basic conditions for production, it will be easier to promote them in the international market as long as their quality is further improved, the scale of production is expanded, the processing capacity is increased through technical transformation, and the packing is improved. For some other products, it is necessary to devote our efforts to a series of basic tasks. For example, the production of some name-brand and high-quality agricultural and sideline products has almost ceased; promoting these products needs to start from crop-breeding, as well as planting experiments and popularization. There are more products to be developed and created.

Suzhou City has achieved prompt success by building up the production base, concentrating financial and material resources in the manner of fighting a "battle of annihilation." The city's experience merits popularization.

The development of foreign exchange-earning agriculture needs the concerted efforts of various sectors, including agriculture, foreign trade, commerce, and industry. It is necessary to rationally coordinate economic interests between different sectors. While taking the interests of one's own unit into account, one must attach importance to the interests of the state as a whole regarding foreign exchange revenue, and the interests of the peasants as well. So long as we stick to a definite goal and make persistent efforts to effect a shift to foreign exchange-earning agriculture, the developed coastal areas are bound to succeed in building up the country's first new open-type agricultural zone.

SHANDONG SECRETARY VISITS HEZE PREFECTURE

SK092322 Jinan Shandong Provincial Service in Mandarin 2300 GMT 8 Feb 86

[Text] Prior to the Spring Festival, Liang Buting, secretary of the provincial CPC committee, went to Heze Prefecture to visit the retired veteran cadres of the former old Hebei, Shandong, and Henan revolutionary bases, stressing that the new and old cadres should support one another and jointly contribute to the great cause of the four modernizations.

During his 3-day visit to Heze Prefecture, Liang Buting, secretary of the provincial CPC Committee, visited the retired veteran cadres of the former Hebei, Shandong and Henan old revolutionary bases in the company of (Yu Bohai), secretary of the Heze Prefectural CPC Committee.

He made two special visits to (Li Jizhao), a 94-year-old veteran cadre who had been recruited into the party in 1933, and (Li Yuzhi), former deputy secretary of the Heze Prefectural CPC Committee, who is having difficulty in getting around. Wherever he went Comrade Liang Buting asked in detail about the living and health conditions of the veteran cadres and held cordial talks with them.

Comrade Liang Buting said: The new and old cadres should support one another, and respect and defend one another in three ways. Now is an important time for replacing old cadres with new cadres. There will be more and more retired veteran comrades in the future. And more and more new comrades will assume leading posts. Therefore, how to correctly handle the relationships between the comrades on the first line and those on the second and third lines has become an important issue in present party life. Comrades working on the first line should care for and respect the veteran comrades. Respecting veteran comrades means respecting history, traditions, and experiences. Those veteran comrades who have retreated to the second or third lines should support and defend the in-service comrades. Defending the comrades on the first line means safeguarding the public interest, stability, and unity. All in all, both parties should continue mutual support.

Gives Directives

SK100129 Jinan Shandong Provincial Service in Mandarin 2300 GMT 7 Feb 86

[Text] On the afternoon of 6 February, Liang Buting, secretary of the provincial CPC Committee, visited Heze Prefecture and, accompanied by the responsible comrades of the Yuncheng County CPC Committee, visited the five households engaged in raising rabbits in (Wuzhaung) village of (Shuangqiao) township to extend his cordial regard and festive greetings. He also heard the briefing given by the secretary of the village party branch and held discussions with them on the plan for making the village as a whole mutually become wealthy.

In holding talks with the responsible comrades of the prefectural and county party committees, Comrade Liang Buting emphatically stated: We should by no means slacken our efforts to engage in grain production, because it is the basic factor of having the people dress warmly and eat their fill. There will be no development in animal husbandry, processing industry, and other undertakings without grains. Therefore, we should maintain a stable sowed acreage of grains and increase the per-unit yield. Efforts should be made to actively develop a diversified economy and to pay attention to processing grains intensively and turning grains into other foodstuffs.

Comrade Liang Buting stated: Over the past few years, Heze Prefecture has firmly grasped this work and done a good job in this regard. It has also scored marked achievements in dealing with the leftover problems, implementing the policies, and in solving the major and serious cases. The spirit displayed by the prefecture in daring to grasp knotty problems has been praised by the masses. To date, however, some comrades have obstinately stuck to their wrong courses. He urged the responsible comrades to remove all interferences in order to resolutely and continuously implement the policies issued by the CPC Central Committee.

Comrade Liang Buting stated: The economic foundation of Heze Prefecture is poor and weak, but the prefecture is strong in latent power. Therefore, it is also able to and should accelerate its pace of developing industrial production. In line with the policy, the provincial authorities will actively support the prefecture in the fields of material sources and funds in order to enable it to achieve development as soon as possible. The "three, four, five" project put forward by the prefecture with regard to bringing into play the strong points of the three bases of grains-cotton, animal husbandry, and paulownia; developing the markets of the four major commodities including foodstuffs, wool textile products, leader products, and wood furniture; and following the five principles set for developing industries in the prefecture, is made by proceeding from the prefecture's reality, is suitable to the prefecture's conditions, is formulated by exploiting the prefecture's strong points to make up for its shortcomings; thus fully embodying the guideline on agricultural production issued by the central authorities. The project constitutes a favorable way for the localities that have a poor economic foundation, but are strong in latent power, to change their backward outlook.

The prefecture's work of fostering lateral cooperation and developing economic and technical coordination represents a great breakthrough in work, not only of the economy, but also of ideology. The experience gained by the prefecture in promoting the development of the economy, by removing the longstanding traditional idea of small-scale peasant economy and the out-dated habit in which both small and large localities should have all kinds of supplies in order to refrain from asking others for help, is worth summing up or popularizing. On the other hand, the eastern areas that have achieved rapid economic development should actively transfer their scientific and technological results to the areas that have poor economic foundations in order to successfully foster cooperation and coordination.

CENTRAL-SOUTH REGION

GUANGDONG MILITARY REGION HOLDS NEW YEAR PARTY

HK061001 Guangzhou NANFANG RIBAO in Chinese 1 Feb 86 p 1

[Report by Chen Xiaogang: "The Guangzhou Military Region Holds a Lunar New Year Evening Party"]

[Text] The Guangzhou Military Region held a grand lunar new year evening party at the military region's auditorium last night. Present were You Taizhong, Zhang Zhongxian, Liu Cunzhi, Zhang Wannian, Liu Anyuan, Li Xilin, Zhang Mingyuan, and other leading comrades of the Guangzhou Military Region and the organizations under it; Lin Ruc, Xie Fei, Wang Ning, Song Zhiying, and other leading comrades of the provincial CPC Committee; Du Ruizhi, deputy director of the provincial Advisory Commission; Kou Qinguan, former director of the provincial Advisory commission; Zeng Dingshi and Cheng Li, vice chairmen of the provincial People's Congress Standing Committee; Vice Governor Ling Botang; Yang Yingbin, provincial CPPCC Committee vice chairman; Luo Jinchun provincial Discipline Inspection Commission deputy secretary; and some leading comrades of the Guangzhou City CPC Committee and the city Advisory Commission, People's Congress Standing Committee, people's government, and CPPCC. Ren Zhongyi, member of the Central Advisory Commission who is presently in Guangzhou, also attended the theatrical evening party.

Before the evening party started, the leading comrades of the party, government, and Army organizations held an informal discussion in a cordial and friendly atmosphere. The Beijing opera troupe of the Guangzhou Military Region put on a brilliant theatrical performance at the party.

HUNAN LOCAL NOTARY OFFICE UNCOVERS FRAUD

OW041129 Beijing XINHUA in English 1044 GMT 4 Feb 86

[Text] Beijing, February 4 (XINHUA) -- The handling of a notarial document uncovered a fraud in central China's Hunan Province, and saved a township government from a loss of one million yuan.

Last April, a young person named Pan, who styled himself the general manager of a development company with more than one million yuan in private assets, bid for a contract to manage a six-story commercial building and sell the half a million yuan's worth of goods already stored in the building. But the staff of the local notary office became suspicious over the details in the registered contract document and did some investigation into Pan's background. It turned out that he was a convict on the run and had no connection whatsoever with the construction business. As a result, Pan was handed over to the police and the township recovered its money.

This was only one of 7,000 economic crimes which turned up in the handling of notarized documents, an official from the notary public and lawyers department of the Ministry of Justice told XINHUA in a recent interview. Of the more than two million notarized documents registered last year, about 80 percent concerned economic contracts, whereas, before 1978, they were mainly connected with marriage, property, schooling and identification.

In the past five years, more than 590,000 Chinese notarized documents have been sent to scores of countries, the official said. China now has more than 2,600 notarial offices with nearly 10,000 staff members.

XIZANG PREFECTURE RETURNS CONFISCATED PROPERTY

HK060743 Lhasa Xizang Regional Service in Mandarin 1130 GMT 1 Feb 86

[Text] The Nagpu Prefectural CPC Committee United Front Work Department has regarded returning an article, handling a leftover problem, and implementing a policy toward a person as a specific action to bring order out of chaos, eliminate leftist influence, and totally negate the Great Cultural Revolution. It has strengthened leadership and taken measures to score achievements in a short period.

With a view to speeding up the implementation of the policies of united front work and strengthening leadership over this work, the United Front Work Department of the prefectural CPC Committee has specially set up a prefectural leadership group to implement the policies of united front work. They have seriously dealt with the problems of confiscating patriotic personages' property in the Great Cultural Revolution, the problems of confiscating pearls, jewels, and agates belonging to temples in the Great Cultural Revolution, and those problems of wrongful confiscation in the course of democratic reform which have been left over, and have returned the property.

Since the beginning of last year, they have successively received 121 appeals for the implementation of policies which were lodged by patriotic personages and personages of religious circles. They have carried out all-round analysis of and dealt with these appeals and some matters for which appeals have not been lodged but which should be dealt with in accordance with requirements of the policies, in order of importance and urgency. In accordance with the principle of first solving the easy problems and later the difficult ones and with the method of solving the problems in groups, the more numerous problems and those which produced great effect, whose circumstances were clear, and which were easily investigated and verified, were classified as the first group of handling. After penetrating investigation and repeated verification, the first group determined had 88 persons and households and the amount of money defrayed was some 340,000 yuan. The following several problems were specifically solved:

1. In accordance with the spirit of the regional forum on the implementation of the policies of united front work and with the requirements for implementing policies in one's own unit first, at the end of September last year, the united front work system listed articles and asked people to claim them. It returned 85 articles, including coupboards, [words indistinct], high-grade china pots, china bowls, and ivory chopsticks, to (Xiaodong) temple and CPPCC Committee members on its own initiative. At the same time, it returned 54 houses, including temples and living Buddhas' private houses, about some 1,800 square meters in size.
2. In accordance with the policies, damages were paid to 51 persons for some 965 articles which had been confiscated in the Great Cultural Revolution. Regarding gold, silver, and products made by them which had been confiscated, damages were paid in renminbi. Compensation was paid to 31 persons for their gold and silver ornaments and the savings deposited with banks and cash which had been confiscated, were returned to 10 persons.
3. The wages of nine CPPCC Committee members which had been withheld in the Great Cultural Revolution, were paid.
4. The problems of wrongful confiscation of the property of seven CPPCC Committee members in democratic reform was properly solved and a suitable lump sum was paid by way of compensation.
5. The livestock and other means of livestock production owned by 11 households and 10 temples, which had been confiscated before trial in the period of socialist transformation, were returned and damages of some 144,000 yuan were paid.

After the policies toward these people were implemented, personages of various circles and the masses gave them their support and the people and their family members and children whose articles had been returned and to whom damages were paid, all felt satisfied. They said with deep feeling: Since the 3d Plenary Session of the 11th CPC Central Committee, the party has reversed verdicts on us and rehabilitated our reputation. It has now implemented economic policies toward us, resulting in solving the problems which have been left over for many years. This has made us personally feel that the party's traditions of seeking truth from facts and sharing weal and woe with the people have been really restored. This has fully embodied the CPC Central Committee's great daring to totally negate the Great Cultural Revolution and to bring order out of chaos and its spirit of being extremely responsible to the people. We must forever work with the party and build two civilizations for Nagqu with all our heart and all our might to repay the party's kindness.

XIZANG'S WU JINGHUA VISITS LHASA ON NEW YEAR DAY

OW091616 Beijing XINHUA in English 1458 GMT 9 Feb 86

[Text] Lhasa, February 9 (XINHUA) -- Wu Jinghua, secretary of the Chinese Communist Party Committee of the Tibet Autonomous Region, called on a neighborhood in downtown Lhasa this morning to wish the local residents a happy new year.

Today is the New Year's Day on the Tibetan calendar which coincides with the Spring Festival on the lunar calendar.

Local residents told Wu, who was appointed to his current post last year, that they were enjoying the best New Year's Day in the last 20 years and more. They were glad of the changes taking place on this "roof of the world", they added.

Wu, a non-Tibetan, was clad in a Tibetan costume today as he moved about to exchange greetings with them.

Wu later called on Lhunzhub Tabkyai, president of the Tibetan branch of the Chinese Buddhist Association, at the people's hospital where this living Buddha was receiving a medical treatment.

He also went to some Tibetan peasants' homes in the suburbs.

XING CHONGZHI ATTENDS HEBEI CADRES RALLY

SK070800 Shijiazhuang HEBEI RIBAO in Chinese 24 Jan 86 p 1

[Text] On the morning of 23 January the provincial CPC Committee held a rally of cadres of provincial organs at the auditorium of the Shijiazhuang City Workers' Cultural Palace. It urged the masses of party members and cadres of the provincial organs to further arouse themselves; work with concerted efforts; unite as one; conscientiously implement the instructions of the CPC Central Committee and the arrangements of the provincial CPC Committee; conduct "four checks" on corruption, bureaucracy, liberalism, and sense of party spirit; perform their work in a down-to-earth manner; make positive contributions to improvement of party style; and enable the provincial organs to truly act as an example for the province.

Attending the rally were leading comrades of the provincial CPC Committee and the provincial Advisory Commission; responsible comrades of the provincial People's Congress Standing Committee, the provincial government and the provincial CPPCC Committee's party leading group; and party-member cadres at and above the section level of the provincial organs.

Gao Zhanxiang, deputy secretary of the provincial CPC Committee, presided over the rally. Responsible persons of the CPC Committee of the provincial academy of sciences and of the party leading groups of the provincial animal husbandry and marine product bureau introduced their situations and experiences in reviewing party rectification and improving party style.

On behalf of the provincial CPC Committee, Comrade Xing Chongzhi gave three opinions: 1) conscientiously studying and profoundly understanding the guidelines of the speeches of central leading comrades given at the rally of central organ cadres; 2) conducting "four checks" from the higher level downward, and further uncovering and solving the problems in party style; and 3) strengthening leadership over and paying ceaseless attention to the work of improving party style.

After Xing Chongzhi gave his speech, Comrade Gao Zhanxiang spoke. He said: All units should set forth their fighting goals for the improvement of party style, and improve party style through the "inspiration of goals." We should pay attention to ideological work, educate party members and cadres with both positive and negative examples, lead them in conducting the "four checks," and encourage them to supervise and help each other. Those who still commit mistakes while conducting checkups should be dealt with strictly. Party leading groups of all offices and bureaus should submit brief, realistic, and to-the-point reports on their improvement of party style to the provincial CPC Committee before 1 July.

Xing's Speech

SK100156 Shijiazhuang HEBEI RIBAO in Chinese 24 Jan 86 pp 1, 2

[Speech by Xing Chongzhi, Hebei provincial CPC committee secretary, at 23 January rally of provincial organ cadres in Shijiazhuang City]

[Text] Today's rally is a mobilization rally for implementing the guidelines of the speeches by the central leading comrades and for rapidly effecting a fundamental improvement in party style. At this time, I would like to speak on three subjects:

1. We Should Conscientiously Study and Profoundly Comprehend the Guidelines of the Speeches by the Central Leading Comrades.

The important speeches made by Hu Yaobang, Zhao Ziyang, and other central leading comrades at the meeting of cadres of the central organs have correctly analyzed our country's political and economic situations since the 3d Plenary Session of the 11th CPC Central Committee, have profoundly expounded the extreme importance of strengthening the building of party style, and have definitely put forward the tasks, principles, and measures for rectifying party style, thus constituting an important weapon for strengthening the building of party style under the new historical conditions. All units should organize the broad masses of party members and cadres, leading cadres of various levels throughout the province in particular, to conscientiously study the speeches by the central leading comrades, and to profoundly comprehend the essence of the guidelines. Through study, we should unify our understanding of the current situation, further implement the strategic principle of simultaneously grasping the building of the "two civilizations," clearly understand the position, role, and important political tasks of the leading organs, and take the lead in rectifying party style. We should also attend to building the party ideology and work style, with the emphasis on raising efficiency, exerting ourselves in study, rigorously enforcing discipline, and intensifying the party spirit. We should carry forward the spirit of the "foolish old man," and work firmly, tenaciously, and conscientiously in order to ensure that the provincial-level organs will effect a fundamental improvement in party style within this year.

We should repeatedly and penetratingly study the speeches by the central leading comrades, rather than only reading them once or twice, and should solve our problems in close combination with the practical situations. On the basis of studying the documents well and enhancing understanding, all units should investigate and revise their plans and measures for fundamentally improving party style in line with the demands of the CPC Central Committee and through the method of combining the efforts of higher levels with those of lower levels. All units should also conscientiously rectify their party style, correct their unhealthy trends, and actually implement all measures in this regard.

2. We should Conduct "Four Checks" From the Top Downward, and Further Reveal and Solve Problems

To implement the guidelines of the speeches by the central leading comrades and to successfully build party style, we must conscientiously reveal and solve the major problems regarding party style. All units should spend a fixed period of time on conducting the "four checks" from the top downward. The "four checks" are as follows:

First, we should check the corruption. In line with the demands of the circulars issued by the General Offices of the CPC Central Committee and the State Council, we should check and correct such serious problems as purchasing imported cars and replacing older cars with deluxe limousines; arbitrarily sending persons for travel abroad, using a huge sum of public funds; indulging in extravagance and waste while giving banquets and gifts; seeking illegal incomes; and taking advantage of one's position and power to provide conveniences for one's children and relatives to engage in business. We should also eliminate all corrosive phenomena, and such evil trends as abusing power for personal gain and seeking the interests of individuals and small groups at the expense of the overall interests, disregarding the basic purpose of wholeheartedly serving the people.

Second, we should check bureaucracy. All units should emphatically check themselves to see whether they have indulged in such serious bureaucratic styles as being irresponsible for the party and the people and neglecting one's duty; whether they have been devoted to holding "excessive meetings" and issuing "excessive documents," to the neglect of delving into the realities of life to conduct investigations and studies; whether they have issued more general calls but given less specific guidance; whether they have indulged themselves in empty rhetoric, while performing no concrete deeds; whether they have had such a listless work style as "not blushing with shame while being criticized, not worrying about backwardness in work, and refusing to find a solution for failure to accomplish tasks"; whether they have handled affairs in a dilatory and

ineffective manner; whether they have rendered good services; and whether they have indulged in the Yamen work style, such that people "seldom can enter the doors, see smiling faces, and get business done at organizations."

Third, we should check liberalism. We should chiefly check the phenomena of disregarding organization and discipline and "enforcing neither orders nor prohibitions"; the practice of seeking good relations with all and sundry at the expense of principle, neither resisting nor struggling against unhealthy trends, and allowing them go rampant; the trend of conducting neither criticism nor self-criticism for fear of losing the "black gauze cap" in the case of criticizing higher levels, for fear of losing the "ballot" in the case of criticizing lower levels, and for fear of affecting unity and work performance in the case of criticizing those at the same levels; and the tendency of creating, believing in, and passing on hearsay, and even spreading rumors and slanders against other comrades. Political liberalism is, in essence, individualism. It weakens our party's combat strength; interferes with and hinders the implementation of the party's line, principles, and policies; and causes great harm. We should resolutely resist and correct it.

Fourth, we should check the sense of party spirit. We should chiefly check whether we are just and fair, and uphold party spirit and the principle of appointing people on their merits in conducting personnel affairs; whether we have the problem of stressing personal relations at the expense of party spirit and principle; whether we have established a "network of personal relations" and small coteries; and whether we have pleaded for those who committed mistakes or crimes. In the meantime, we should approach the problems of power abuse for selfish gains, serious bureaucracy, and political liberalism from the perspective of party spirit. We should examine ourselves to see whether we have a strong sense of party spirit, a firmly-fostered idea of serving the people wholeheartedly, and good performance with regard to Communist Party members' exemplary and vanguard role. Only by so doing can we distinguish right from wrong, enhance our awareness, and solve our problems once and for all.

In conducting the "four checks," we should not allow a small number of persons to check behind closed doors, but should rely on the masses and follow the mass line. Leading cadres should go deep among the masses of their own units, the subordinate units under their leadership, and the people whom they are to serve, and widely give heed to their opinions through forums, heart-to-heart talks, or visits. They should have the courage to face up to the problems their units or they themselves have, and refrain from shielding shortcomings or unhealthy trends on any pretexts. We should neither put ourselves under the patronage of higher levels nor compete with lower levels, but should examine ourselves in a down-to-earth manner. Leading persons at all levels should take the lead and promote the work of the next lower levels. If they take the initiative in checking and correcting their serious unhealthy trends committee since 1985 and return or compensate for their illegal gains, more lenient organizational measures may be adopted in handling their cases. They may be exempted from punishments or be given lenient punishments instead of severe ones. Problems arising after the promulgation of the provincial CPC Committee's "10 prohibitions" should be dealt with more sternly.

We should both extensively check and uncover problems and thoroughly analyze typical cases and hold discussions concerning them. We should hold discussions on the four topics of enhancing party spirit, strengthening discipline, raising efficiency, and changing work styles one by one, and solve the problems, clarify the right and wrong, and sum up the experiences and lessons in each of them one by one.

Leading bodies should hold the discussions separately and also together with the masses of party members in order for them to promote each other.

3. We Should Strengthen Leadership, and Pay Attention to It Ceaselessly

The provincial CPC Committee demanded that party and government leading organs at the provincial, prefectural (city), county, and township levels basically achieve a fundamental turn for the better in party style within this year. The provincial organs should take the lead in this work. Therefore, the provincial CPC Committee decided to establish a leading group for improving the party style of provincial organs, with Comrade Gao Zhanxiang as its leader, and Comrades Bai Shi and Lu Chuanzan as deputy leaders. The party leading groups and party committees of various offices and bureaus should put the work of improving party style high on their agenda, their secretaries should attend to it personally, and they should each assign a major leading comrade to grasp it in a concentrated manner. The provincial Discipline Inspection Commission should put more efforts, and the CPC committees of the provincial organs should put their major efforts, on improving the party style of provincial organs.

Party style must be grasped in both a resolute and sustained manner. The improvement of party style must not be carried out in such a way that it is sometimes tight and sometimes relaxed, and sometimes firm and sometimes tentative. Party style must be grasped in a step-by-step manner. We will never stop until we achieve this goal. We must further perfect and implement the system of grasping party style on a responsibility basis. We should regularly analyze the situation regarding the party style of all units in order to clearly understand which units have realized a fundamental turn for the better in party style and what measures they should take to further strengthen the improvement of party style; which units have realized a basic turn for the better in party style, what problems they still have, and what measures they should take to solve the existing problems; and which units have more problems, and why these problems exist. After knowing the situation, we should give instructions, in accordance with different conditions, to help these units solve problems. We must not demand uniformity for all the units in realizing a fundamental turn for the better in party style at the same time because of their different actual conditions. Leaders at all levels should concentrate efforts on helping the units with more problems change their outlook within a definite period of time. While attending to the improvement of party style, all departments and units should bring their functions into full play and focus on checking and handling major and appalling cases to consolidate the established practices, particularly to solve the prominent problems concerning which the people have many complaints, such as "electricity despots," "road despots," "grain and edible oil embezzlers," and people who seek private gains by granting loans to others. Efforts must be made to eliminate these unhealthy practices and to foster a healthy atmosphere. We must closely combine the straightening out of party style with reform and the current work. Along with the realization of a fundamental turn for the better in party style, we should better achieve the work in all fields and ceaselessly make new achievements. The provincial CPC Committee planned to organize forces to comprehensively inspect the situation regarding the straightening out of party style among all departments and bureaus before "1 July."

We should enhance the construction of leading bodies in grasping party style. The leading cadres who persistently do not correct their serious problems in work style or who fail to effectively correct the unhealthy practices should be readjusted and replaced. Simultaneously, we should vigorously commend the comrades with lofty mental outlook and fine work style and the comrades adhering to principles and bravely resisting unhealthy practices.

It is of great importance that leading cadres and leading organs should set an example and the broad masses of the party members should play an exemplary vanguard role in straightening out party style and correcting unhealthy practices. By responding to the call of the CPC Central Committee, all party members must, from now on, take the initiative and go into action and stand in the forefront of the work of straightening out party style. All party members should abide by the party constitution and the guiding principle for inner-party political life in an exemplary manner. Party members must not indulge in unhealthy practices. The party members involved in the unhealthy practices should actively make corrections, and bravely wage struggle against all unhealthy practices. We should bravely expose the unhealthy practices involving leading cadres, particularly leaders of the provincial CPC Committee. We must eliminate some party members' negative attitudes, such as drifting with the tide, waiting and watching, blaming everyone and everything but themselves, and talking a lot but doing nothing. It is completely possible to accelerate the pace of the realization of a fundamental turn for the better in party style as long as all the party members of the provincial-level organs go into action.

To promote a fundamental turn for the better in social order with the realization of achievements in effecting a fundamental turn for the better in party style is an unshakable task of great importance in the political field. Time is pressing. The broad masses of party members and cadres of the provincial-level organs must further go into action, make concerted efforts to conscientiously implement the directives of the central authorities and the plans of the provincial CPC Committee, work solidly, and take the initiative in making contributions to straightening out party style, so that the provincial-level organs will really set an example for the entire province in this regard.

WAN LI, NI ZHIFU AT TIANJIN SPRING FESTIVAL SOIREE

SK080756 Tianjin City Service in Mandarin 1430 GMT 7 Feb 86

[Text] The 1986 Tianjin municipal Spring Festival soiree on supporting the Army and giving preferential treatment to families of servicemen and on supporting the government and cherishing the people was held at the cadres club this evening.

Wan Li, member of the Political Bureau of the CPC Central Committee and vice premier of the State Council, attended the soiree and cordially met with representatives from all walks of life prior to the opening of the soiree. Among them were veteran cadres who have retreated to the second or third line, model workers, teachers of primary and middle schools, PLA commanders and fighters, experts, professors, and literary, art, and physical culture workers.

Also joining the interview and soiree were leading comrades of Tianjin Municipality, including Ni Zhifu, Li Ruihuan, Wu Zhen, Tan Shaowen, Nie Bichu, Zhang Zaiwang, Zhang Dinghua, Zheng Guozhong, and Lan Baojing.

Mayor Li Ruihuan extended Spring Festival greetings to all the people in Tianjin on behalf of the municipal CPC Committee, the municipal People's Congress Standing Committee, the municipal government, and the municipal CPPCC Committee, wishing them happiness during the festival days.

HEILONGJIANG'S SUN WEIBEN DELIVERS SPEECH

SK092358 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 8 Feb 86

[Spring Festival speech by Sun Weiben, secretary of the Provincial CPC Committee, carried on provincial radio and television networks -- recorded]

[Text] Comrades, friends: The Spring Festival, the traditional festival of the Chinese nation, has come. On the occasion when the people are seeing off the old year and greeting the new, please allow me to extend cordial regards and heartfelt thanks on behalf of the Heilongjiang Provincial CPC Committee and the provincial People's Government, to comrades on all fronts who have worked diligently and stuck to their work posts during the festival days and to send festive greetings to the broad masses of workers, peasants, intellectuals, cadres, PLA soldiers and commanders and fighters of the armed police force and the people of various nationalities and from all walks of life who have been working hard on all fronts in vitalizing Heilongjiang.

In the past year our province scored new achievements in economic construction and all other undertakings. Like other places in China, our province's economic and political situation the past year were one of the best since the founding of the People's Republic. We should attribute this success to the line, principles, and policies of the CPC Central Committee and to the concerted efforts of the people throughout the province in scaling heights and working in unity. At the time when spring has come on earth and everything looks fresh and gay, our people throughout the province should jointly share such happiness and success. This is the first year for implementing the Seventh 5-Year Plan. The tasks facing us are very arduous and complicated. Therefore, we must exert more conscientious efforts and take the initiative in implementing the guidelines of the National Conference of Party Delegates; persist in grasping the two civilization simultaneously; adhere to the strategic policy of reforming systems, carrying out technical transformation, opening the province to other provinces and foreign countries and developing resources; enhance our spirit, work hard quietly, and make a good beginning for successfully accomplishing the Seventh 5-Year Plan.

This year we should strive to make steady progress in building the socialist material civilization, enable the province's economic and social development to attain a new level, continue to speed the progress in reform of the economic structure focusing on reform of the urban economy with untiring efforts, and ensure a sustained, steady, and coordinated development in the province's various undertakings. We should act resolutely in accordance with the CPC Central Committee's principle of consolidation, digestion, supplementing, and upgrading, conscientiously review the province's reform experiences in the previous stage, consolidate reform achievements, and strive to solve all problems in the previous stage of reforms within a short time in order to make various reforms yield better results and to make preparations for achieving important steps in the coming 2 years.

During this year, we should prominently stress the rectification of party style and improvements in social habits in the course of building the socialist spiritual civilization, exert great efforts, and achieve actual results. Party organizations at all levels throughout the province should resolutely study a series of important speeches of the central leading comrades and the guidelines of their directives, foster healthy trends and check malpractices with an attitude of earnestness, conscientiousness, and responsibility, and successfully rectify party style. The leading organs and cadres at all levels should play an exemplary role. They should first do what they want lower levels and other people to do and not do what they forbid the lower levels and other people to do.

A good party style will not only produce an impact on social habits and promote improvements in the general mood of society, but will also greatly promote the building of material civilization and stimulate a rapid development in various construction undertakings.

Trying our utmost to make the richly endowed and beautiful Heilongjiang into a more prosperous province, and making the urban and rural people become wealthy within a short time are the common desire and responsibility of the 33 million people of the province. The provincial CPC Committee and government are convinced that in the new year, the people throughout the province will surely take the whole situation and public interests into account with an attitude of being masters of the state, exert all-out efforts, make new progress, work with one heart and one soul, work painstakingly, do a good job in all fields of work in a down-to-earth manner, contribute their wisdom and intelligence to vitalizing Heilongjiang, and create new achievements in Heilongjiang's development and leap forward with hard work and sweat.

Finally, I wish you all joy and happiness in the Spring Festival and much happiness for your families.

JILIN SECRETARY EXTENDS SPRING FESTIVAL GREETINGS

SK090216 Changchun Jilin Provincial Service in Mandarin 2200 GMT 8 Feb 86

[Text] On the evening of 8 February, Comrade Gao Di, secretary of the Jilin Provincial CPC Committee, gave a speech via television at the Jilin television station. He extended Spring Festival greetings to all people throughout the province.

In his speech, Comrade Gao Di, on behalf of the Jilin Provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial government, the provincial CPPCC Committee, and the provincial military district, extended cordial regards and festive greetings to all workers, peasants, intellectuals, cadres, PLA units stationed in the province, broad masses of commanders and fighters, the public security cadres and policemen, the various democratic parties and nonparty patriotic personages, retired veteran cadres and intellectuals, all students, young people, children, and their teachers the Taiwanese compatriots residing in the province, family members of Taiwanese compatriots, returned Overseas Chinese, and all foreign experts and friends who have come to the province to help in the four modernizations construction. He also heartily thanked the comrades and their family members who have persisted in production and stayed at their work posts during the festive days.

Comrade Gao Di briefly reviewed last year's work and achievements in reform, party rectification, industrial and agricultural production, antiflood and rescue work, and combating disasters and carrying out production through self-reliance. He also put forward new demands on the work of 1986.

JILIN COMMITTEE HOLDS SPRING FESTIVAL PARTY

SK080812 Changchun Jilin Provincial Service in Mandarin 1030 GMT 7 Feb 86

[Text] In order to warmly celebrate the 1986 Spring Festival, the Jilin Provincial CPC Committee and the provincial People's Government, the Changchun City CPC Committee and the city people's government, the Jilin Provincial Military District, and the PLA units stationed in Changchun jointly held Spring Festival get-togethers this afternoon for the party, government, and Army organs and the people at the auditorium of the provincial guesthouse, the provincial workers' cultural palace, Bayi Auditorium, and Chungheng Theater.

The sites for the get-togethers were decorated with lanterns and colored streamers and were filled with a happy festive atmosphere. Soon after 1300, leading comrades of the provincial and Changchun City party, government, and Army organs and the responsible comrades of the various democratic parties, including Gao Di, Wang Xianjin, Gao Dezhan, Wang Zhongyu, Wang Daren, Zhao Xiu, Liu Jingzhi, Zhang Shiyang, Xiao Chun, Liu Yunchao, (Du Qinglin), Hui Liangyu, (Li Deming), Wang Jiping, Li Shuren, Chen Hong, Feng Yingkui, Huo Mingguang, Li Cikai, Cheng Shengsan, Wu Duo, Cui Lin, Wang Jiren, Yu Ruihuang, Zhu Jinghang, Xu Yuancun, Gao Wen, Liu Shulin, Wang Jinshan, Zhang Fenggi, Zhang Dexin, He Yunging, Geng Yuelun, Luo Yuejia, Xin Cheng, Jin Minghan, Cai Qiyun, Chen Xingyin, (Qian Guo), (Meng Guicheng), Kang Baoren, Wu Lequn, Zhu Qingguo, (Hu Yixia), Chen Zhenkang, (Wang Li), and (Wang Jiatong); retired veteran cadres of the province, including Li Diping, Yu Lin, Yu Ke, Zhang Kaijing, Zhao Tianye, (Xu Linqi), Wang Guanchao, and (Yue Lin); other leading comrades of the province, Changchun City, and the PLA units stationed in Changchun; and retired veteran cadres, jubilantly went to the assembly sites in succession with smiling faces, to celebrate the Spring Festival of the Year of the Tiger along with representatives of the masses and cadres from all walks of life, and of the PLA commanders and fighters.

Before the get-together, leading comrades of the provincial and Changchun City party, government, and Army organs met with one another at the meeting room of the provincial guesthouse to exchange Spring Festival regards. Comrade Gao Di, secretary of the provincial CPC Committee, gave a speech. He reviewed the moving scenes of the past year when the broad masses of Armysmen and people worked hand in hand and struggled in unity in reform, in the antiflood and rescue work, and in building the two civilizations. He expressed the hope that this year, they will continue to implement the guidelines of the National Conference of Party Delegates, to strengthen unity between the army and the government and between the army and the people, and to exert efforts to realize the Seventh 5-Year Plan and fundamental improvements in party style and social conduct, and to win new victories in economic and national defense construction. At the get-togethers, leading comrades of the provincial and Changchun City party, government, and Army organs watched two color feature films made in China: "An Enchanting Band" and "Our Retired Soldiers."

LIAONING LEADERS GREET WORKERS ON SPRING FESTIVAL

SK090618 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 8 Feb 86

[Excerpt] On the eve of the Spring Festival, leading comrades of the provincial CPC Committee, the provincial Discipline Inspection Commission, the provincial People's Congress Standing Committee, the provincial government, and the provincial CPPCC Committee, including Li Guixian, Quan Shuren, Li Changchun, Sun Qi, and Li Zemin, went separately to the urban and rural areas in Shenyang, Anshan, Fushun, Liaoyang, Benxi, and Tieling cities to extend regards to workers, staff members, and public security cares and policemen on duty. They also went to the rural areas to extend Spring Festival greetings to peasants.

This morning, Li Guixian, secretary of the provincial CPC Committee; Feng Yousong, vice chairman of the provincial People's Congress Standing Committee; and Yue Weichun, vice chairman of the provincial CPPCC Committee, as well as other leading comrades, went to the Anshan City hospital, the Anshan bicycle general plant, and the No 2 steel rolling mill and smelting mill of Anshan Iron and Steel Company to visit the medical workers, cadres, and workers on duty. In the Anshan bicycle general plant, Li Guixian, secretary of the provincial CPC Committee, encouraged the plant leaders to exert greater efforts this year. Plant leader (Hu Jue) expressed the determination to produce 1 million Plum Flower-brand bicycles this year. Comrade Li Quixian also watched the electroplating production line imported from Japan and extended Spring Festival greetings to plant workers on duty.

XINJIANG'S SONG HANLIANG ON AGRICULTURAL ISSUES

HK030215 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 2 Feb 86

[Excerpts] Regional CPC Committee Secretary Song Hanliang pointed out in his speech at the recent regional conference on rural work that the region's rural and pastoral areas are now at the historical stage of switching from self-sufficient and semi-self-sufficient economy to commodity economy. To suit this new situation, the thinking of the cadres at all levels must undergo a great change.

Comrade Song Hanliang said: To achieve a change in thinking, it is first necessary to enhance understanding of commodity economy. The full development of commodity economy is an essential condition for the attainment of agricultural modernization in Xinjiang. The previous idea of setting socialist economy against commodity economy was an erroneous leftist way of thinking that does not accord with the laws of socialist development. Such an idea is extremely harmful for the development of socialist economy.

Second, we must establish the concept of commodity economy. Song Hanliang pointed out: Many places shout about developing commodity production, but in fact they only bother about production and fail to get a proper grasp of circulation. They are only concerned about producing so many things, without actively taking steps to turn them into commodities by organizing their transport and sales. In fact, the development of commodity production has not yet been placed, or completely placed, in an important position on the agenda of the party committees.

Everybody often thinks about the rich resources of Xinjiang. It is true that our resources are rich. But unless we develop commodity production, there is no way of turning strong points in resources into commodity and economic strong points, and it is very hard to invigorate our economy. Due to restriction by the management setup and the influence of traditional habits, the agricultural departments in Xinjiang have for a long time only bothered about production without grasping sales. Since this is the case in the upper levels, how can the development of rural economy be promoted?

Comrade Song Hanliang stressed: Beginning this year, the party committees, government, and agricultural departments at all levels must apply the concept of commodity economy to guide and organize agricultural production. The agricultural departments must concern themselves with circulation and sales as well as production. Apart from increasing production, they must also improve economic results and ensure that the peasants enjoy tangible benefits.

It is certain that the agricultural departments will encounter many difficulties in acting in this way. There are problems in the system, and there are problems in relations between different departments. When encountering problems, we must solve them, based on the spirit of reform.

SHANGHAI MAYOR GREETES TAIWAN COMPATRIOTS

OW090404 Shanghai City Service in Mandarin 0100 GMT 8 Feb 86

[Excerpts] On the eve of the Spring Festival, Mayor Jiang Zemin extended his Spring Festival greetings on behalf of the 12 million people in Shanghai to those in Shanghai with relatives in Taiwan and to the 19 million Taiwan compatriots on the other side of the Taiwan Strait. Mayor Jiang sent his Spring Festival message through a program of the Central People's Broadcasting Station beamed to Taiwan and through the Voice of the Strait radio station. He briefed the Taiwan compatriots on the situation in opening Shanghai to the outside world and the plans for transforming and rejuvenating Shanghai. On behalf of the Shanghai Municipal CPC Committee, he welcomed the Taiwan compatriots to invest, run factories, and do business in Shanghai. He welcomed ships from Taiwan to come to Shanghai. He said that the Port of Shanghai will make arrangements to load and unload cargo from the ships from Taiwan on a priority basis. He also welcomed people of all walks of life in Taiwan to visit their friends and relatives, tour various localities, give lectures or study, carry out academic exchanges, engage in literary and art performances, and participate in various sports activities in Shanghai with the aim of enhancing mutual understanding.

Mayor Jiang said: Historically there have been profound economic and cultural ties between Shanghai and Taiwan. We hope that we will be able to end the separation of the nation and to join our efforts in contributing to China's rejuvenation.

The municipal CPPCC Committee and the United Front Work Department of the CPC Central Committee held a Spring Festival tea party on 7 February for those who have relatives in Taiwan. Invited to attend the tea party were people in Shanghai whose relatives are high-ranking military and government leaders in Taiwan and those who came from Taiwan to settle in Shanghai this year. They joined the responsible persons of the municipal CPPCC Committee, the United Front Work Department of the municipal CPC Committee and various democratic parties in the celebration of the Spring Festival.

FEDERATION URGES REUNION OF SEPARATED FAMILIES

OW081817 Beijing in Mandarin to Taiwan 0400 GMT 8 Feb 86

[Undated letter of Spring Festival greetings from the All-China Federation of Taiwan Compatriots to all people in Taiwan]

[Text] Dear Taiwan kinfolk: Firecrackers have sent off the old year and red scrolls ushered in the new one. On the occasion of the Spring Festival, we Taiwan natives residing on the motherland's mainland hereby extend our Spring Festival greetings to our people back home. We wish you a happy Chinese New Year, good health, and satisfaction in everything. On this festival of the Chinese nation, with its traditional happy family reunions, we are particularly longing for our native province and our relatives. We think that you too are longing for your relatives on the mainland.

It is gratifying that in recent years there has been a new development of the trend for a peaceful reunification of the motherland, thanks to the joint efforts by personalities of various circles and Taiwan compatriots at home and abroad. Many family members separated by the Taiwan Strait have heard from each other again. Taiwan fishing boats constantly visit the mainland. The entrepot trade between Taiwan and the mainland is now on the rise. The number of people from Taiwan who come to visit their relatives or seek their roots on the mainland has been increasing year after year. At international meetings, Chinese from both sides of the Taiwan Strait chat with each other cordially.

Students from the mainland and students from Taiwan studying in foreign schools are living harmoniously together. A national sentiment that blood is thicker than water has closely bound together the hearts of all Chinese. The concept of one country, two systems for peaceful reunification of the motherland advocated by the Chinese Communist Party and the people's government and the truth about the reforms, opening to the outside world, and the building of the two civilizations on the mainland have been known to our kinfolk in Taiwan. Breaking through all kinds of obstructions, many people in Taiwan are openly discussing the issue of reunification of the motherland and the future of Taiwan. Our compatriots residing abroad, deeply concerned about the cause of the motherland's reunification, are pooling their wisdom and efforts to play the role of a bridge. The rapid development of exchanges and dialogue between the people's across the Strait shows bright prospects for the motherland's peaceful reunification.

Dear Kinfolk: The unfortunate split has separated several million family members across the Strait for 37 years. Year after year, they have reunited with their relatives only in their dreams. On the occasion of this festival, many old people are in tears, longing for a reunion with their loved ones back home. Many young people who have never seen their parents' hometowns yearn to go there to visit many of their relatives whom they have never met.

In today's world, it takes only a short time to cross an ocean. However, the 100-mile Taiwan Strait has become an impassable moat, making people unable to see their relatives in the same country for the rest of their lives. Such a tragedy is unreasonable and against the people's aspirations, and we should not let it continue any longer. For this reason, we earnestly propose that visiting groups be organized as soon as possible on both sides of the Strait to let people visit their **relatives across the Strait** and let long separated family members reunite with each other and share family happiness together in their remaining years. We appeal to all associations of fellow townsmen in Taiwan to support our proposal. We also hope that all Taiwan compatriots residing abroad will continue to serve as a bridge and make joint efforts to urge the Taiwan authorities to respect the people's wishes and facilitate visits and reunions between relatives across the Taiwan Strait. We cordially hope that normal exchanges between the people across the Strait will be restored at an early date, and that the long-cherished wish of the nation for a peaceful reunification of the motherland will come true soon. Let us, the 1 billion Chinese people unite, join hands to revitalize China, and make our country, including Taiwan, even more prosperous. Let us work hard together to usher in the day of reunion between family members across the Strait.

OFFICIALS GREET TAIWAN COMPATRIOTS ON FESTIVAL

OW081848 Beijing XINHUA in English 1831 GMT 8 Feb 86

[Excerpts] Fuzhou, February 8 (XINHUA) -- Some prominent figures on the mainland extended their Spring Festival greetings to their colleagues and friends in Taiwan over the radio "Voice of the Straits" on the eve of the Spring Festival. Mao Yisheng, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference and a noted expert of bridge engineering, said he hoped to see a "bridge" built across the Taiwan Straits to link the national feelings of the people on both sides. Zhu Tianshun, vice-chairman of the All-China Federation of Taiwan Compatriots, had been away from Taiwan for more than 40 years. As more and more people in Taiwan now favored the idea of resuming posts and telecommunications, navigation and trade links and an early realization of peace negotiations, he said, "the reunification of our motherland is very hopeful." Xie Xide, president of Fudan University, congratulated many Fudan alumni now working in Taiwan on their achievements in teaching and research. She hoped that they would be able to exchange their experience.

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